



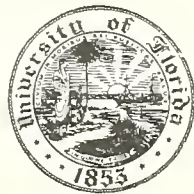
*CENTRAL SERVICES TO  
LOCAL AUTHORITIES IN SELECTED  
EASTERN EUROPEAN COUNTRIES  
AND THE UNION OF SOVIET SOCIALIST  
REPUBLICS*

UNITED NATIONS

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New York, 1970

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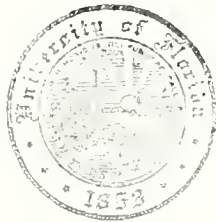
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## INTRODUCTION

1. In accordance with General Assembly resolution 723 (VIII), the Public Administration Division of the United Nations Secretariat, during the last few years, has undertaken an international study of all that is involved in the provision of central services for the improvement of local government and administration. 1/ In connexion with this study, the International Union of Local Authorities (IULA) prepared a draft report for the United Nations on the subject. Regional seminars were held in Africa, Asia and Latin America, sponsored by the appropriate regional economic commission, with the collaboration of the Public Administration Division of the United Nations Secretariat. These seminars enabled senior officials who have responsibilities for the improvement of local government administration in their respective countries to exchange information and to make recommendations on the subject. The seminars demonstrated the advisability of developing a cluster of central agencies and institutions for improving local government and administration. The exact composition of the cluster should, of course, be adapted in each country to the particular circumstances. A report on the study, incorporating the report of the International Union of Local Authorities and the proceedings of the regional seminars, will be issued soon as a United Nations publication.

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2. In the course of the work on the study and of the organization of the regional seminars, it became quite evident that the experience of the Union of Soviet Socialist Republics and of selected East European countries, in strengthening their local government systems, would be of value to other countries. Yet, little information on the subject is readily available.

3. The Public Administration Division therefore arranged for specialists in Bulgaria, Czechoslovakia, Hungary, Poland, Romania and the Union of Soviet Socialist Republics to prepare papers on the experience of these countries in this field. These have been edited to become a composite study, and published herewith as a single document. The views expressed are those of the authors and do not necessarily reflect those of the United Nations or of the Governments of the countries to which they refer.

4. The document may be of further interest, since it describes the structure of local government in these countries and the social, economic, and political context in which it functions. A description of the historical background of each system is included for a better understanding of its structure.

5. The Public Administration Division is grateful to the authors of the papers and to the Permanent Missions to the United Nations of Bulgaria, Czechoslovakia, Hungary, Poland, Romania and the Union of Soviet Socialist Republics for their assistance in arranging for their preparation.

1/ The term "central services to local authorities" refers to the technical and financial assistance and supervision of local government units by agencies of the national or, in some federal systems, the state government. It includes also assistance to local government units provided by semi-autonomous and non-governmental bodies that are organized on a nation-wide basis.

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## BULGARIA

Boris Spassov\*

### I. BASIC DATA

#### Political Structure of the People's Republic of Bulgaria

Bulgaria is one of the oldest states in Europe. First established in 671, it was for nearly two hundred years under Byzantine rule, followed by the five hundred years of Turkish rule, until its liberation in 1878 by the Treaty of San Stefano, which ended the war between Russia and Turkey. The Bulgarian bourgeois state was thus established.

During the Second World War Bulgaria was virtually occupied by German troops and again lost its national independence. At the beginning of September 1944, successful popular uprising broke out, and on 9 September 1944, the foundations of a new, socialist, state were laid.

In 1946 the Bulgarian monarchy was abolished after a referendum and a People's Republic established. On 4 December 1947, a Grand National Assembly, specially elected for the purpose, adopted the constitution, which is still in force with a few slight alterations.

The People's Republic of Bulgaria is a socialist state with a people's democratic form of government and a unitary structure.

The country is divided into twenty-seven districts, and the capital, Sofia, is an independent territorial unit on the same footing as a district. Each district is subdivided into towns and village municipalities or communes, and the city of Sofia into six metropolitan boroughs. In all, there are 136 towns and 1,021 village municipalities, as well as six metropolitan boroughs in Sofia, which have the legal status of towns.

For the implementation of the tasks facing the country, a complete system of state organs and agencies has been established, which constitutes the country's state apparatus, as defined by the constitution.

#### Organs of state authority

The supreme organs of state authority, the National Assembly and the Presidium of the National Assembly, and the local organs of state authority, the People's Councils, fall within this category.

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## The National Assembly

The National Assembly or Parliament, holds a central place in the machinery of government in the People's Republic of Bulgaria. It is at the head of the whole system of the apparatus of state. There is no other state organ which has higher, or even equal, authority. The National Assembly is not responsible to anyone but the people who have elected it, and to whom it must render account of its activities.

The National Assembly of the People's Republic of Bulgaria is the only legislative body in the country and the laws, which it passes, establish the guiding principles for the remaining organs of government for other organizations and for the citizens in general. All the remaining organs of government are dependent on the National Assembly or must render account of their activities to it. It elects the Presidium of the National Assembly, forms the Government, elects the Supreme Court and the Chief Public Prosecutor, and it can relieve them of their duties at any time.

Among the important functions of the National Assembly are the authority to adopt the national plan for the socio-economic development of the country and the national budget. It has also the authority to decide on questions of war and peace, to define the domestic and foreign policy of the country, and to seek solutions to all other problems of substantial importance for the life of the country and of the society.

The National Assembly consists of one chamber, and it has a four-year mandate. It consists only of elected deputies (members of parliament or national representatives), who are elected on the basis of one for every 20,000 of the population. Under these circumstances 416 members have been elected to the present National Assembly, 70 of whom are women. The members of parliament enjoy parliamentary immunity throughout the duration of their term of office. They are not held responsible before the law for their opinions, or their statements, in the National Assembly and its commissions. The National Assembly is assisted in its procedures by standing committees and provisional commissions, elected from among its members. These include the legislative committee, the Commission for the verification of elections, the Committee of People's Councils, as well as committees for the various branches of state administration. The National Assembly carries out its work in sessions, which are called at least twice a year.

## The Presidium of the National Assembly

The Presidium of the National Assembly is a permanently functioning supreme organ of the authority of the state, elected by the National Assembly from among the members of parliament. It consists of a president, two vice-presidents, a secretary and fifteen members. Its mandate lasts until a newly-elected National Assembly elects a new Presidium at its first session. According to the constitution, the Presidium of the National Assembly convenes the sessions of the legislature; fixes the date for the election of members of parliament and of the people's councils; interprets the laws in a way binding on all concerned; represents the state in its international relations; and ratifies or abrogates international treaties concluded by the Government. Its prerogative is the performance of a number of the functions which traditionally belong to the Head of State.

Moreover, the Presidium of the National Assembly exercises control over the government and its members, over the local organs of state authority and of state administration. In the period between sessions of the National Assembly the Presidium can make partial changes in the composition of the government on the recommendation of the Chairman of the Council of Ministers. In the performance of its functions the Presidium issues decrees, regulations, ordinances, instructions and other legal acts which must be in conformity with the constitution and the law. The Presidium is responsible and subordinate to the National Assembly in all its activities.

#### Local organs of state authority (People's Councils)

The people's councils, which are local organs of state authority and of people's self-government are among the organs of state authority in the over-all machinery of government. They are elected for a three-year term by secret ballot on the basis of universal, equal and direct suffrage. Each people's council is constituted in a well-defined administrative and territorial unit. Since the whole of the country is divided into districts and municipalities and the city of Sofia, together with the villages attached to it, has the rights of a district and is itself divided into six metropolitan boroughs, each with the legal status of a town municipality, the system of people's councils may be defined as follows:

- (a) There are twenty-seven district people's councils;
- (b) The People's Council of the city of Sofia has the rights of a district people's council;
- (c) There are 136 town people's councils;
- (d) There are six people's councils in metropolitan boroughs of the city of Sofia, with the legal status of town people's councils, and
- (e) 1,021 village people's councils.

Each people's council consists of elected councillors, whose number is determined on the basis of standards, prescribed in the electoral law. <sup>1/</sup> For example, the composition of the district people's councils is based on the election of the district councillor for every 1,500 citizens, but the number of the councillors cannot be more than 180. In the city of Sofia one councillor is elected for every 3,000 citizens. In the village people's councils one councillor is elected for every 150 inhabitants, but the number of councillors in a village council cannot be less than thirty or more than seventy.

The people's councils are organs of the state. They form part of the complete, unified system of national administration and as such possess the characteristic features of organs of state. The socialist state administration does not accept the principle of a dualism between the central organs of the state and the organs of local self-governing bodies, separate from the national

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<sup>1/</sup> Article 24 of the Law on the Election of People's Councils: State Gazette No. 94 of 23 November 1951.

administration, in the organization of the local apparatus of state authority. The unity of authority on a single economic base requires an integrated state apparatus, both central and local, incorporating the local authorities. The place and status of the people's councils within the system of the state administration is largely determined by the fact that they are organs of local popular representation, exercising full political authority within their own areas which are the municipal districts, and this of course, within the framework of their legal competence. As organs of state authority, the people's councils are also characterized by the fact that they are organs of local people's self-government. They carry out extensive and responsible activities, in which they are assisted by an administrative apparatus, specially created for the purpose and incorporated within their own system of operation. More specifically, every people's council elects an executive committee, consisting of a chairman, deputy chairman, secretary and members. They must all be councillors, and must, therefore, have been elected to the people's council.

The executive committees are administrative organs with general competence. They deal with problems of administration in all branches and fields of administrative activity. In addition to the executive committees, local specialized organs of state administration are established within the system of the people's councils, dealing with various branches and fields of administration, such as agriculture, finance, local industries, public health, public education and so on. These departments are headed by officials elected by the people's council.

To perform their work, the people's councils assemble periodically in sessions, of which there must be not less than four in each year for the district people's councils and not less than six for the municipal people's councils. They can take decisions only in session. The executive committees, the departments and the administrative boards are permanently functioning organs.

The people's councils also elect standing committees in various branches of the administration, as well as commissions with a wider scope of activities, such as commissions on legality. These standing committees consist chiefly of councillors, but up to one-third of their members may be persons who have not been elected to the council. Their democratic character is thus enhanced. The permanent committees are auxiliary executive organs of the people's councils which take initiatives and exercise control. The bulk of their functions are connected with their task of assisting the people's councils, the executive committees, the boards and the departments in the fulfilment of the tasks with which they have been entrusted. However, since 1964 the legislation of the People's Republic of Bulgaria has also granted to the permanent commissions some operational authority. More specifically, under article 31 (e) of the Law on People's Councils, the local organs of state power may transfer to them for operational implementation some functions, which hitherto have been within the competence of the specialized local branch organs of the administration. Under article 31 (g), the standing committees of the people's councils can exercise control over the legality of the acts of officials, subordinate to the people's councils. If in the exercise of this control they find a flagrant violation of the law or establish that decisions have not been carried out, these standing committees can give mandatory instructions to the officials under their control.



## Organs of state government

These are both central and local. The central organs of state government consist of the Government itself (the Council of Ministers) and the ministries, as well as the other specialized central departments, which are known as State Committees or Committees.

The local organs comprise the executive committees of the people's councils, the boards, departments and services, supporting the executive committees of the people's councils, already mentioned above in the description of the people's councils. Exceptionally some of the ministries (for example the Ministry of the Interior and the Ministry of Transport) have their own local subdivisions.

## The Government

The Government or Council of Ministers is the supreme organ of state administration in the country. It heads the whole national administration, and the other organs of the administration are subordinate to it. This also includes the local agencies of state administration, incorporated within the system of the people's councils. The Government is entrusted with the solution of the basic and major problems of the national administration. It is elected by the National Assembly on the latter's initiative. It consists of the Chairman of the Council of Ministers, and Deputy-Chairman, whose number is fixed by the National Assembly, together with the ministers and the remaining heads of the specialized central administrative departments with the rank of ministries. This rank can only be granted to a given department by a decision of the National Assembly; and this decision is usually taken when the Government is formed.

The government is elected, and relieved of its duties, by the National Assembly. In the period between sessions of the legislature, the Presidium of the National Assembly can also make partial changes in its composition, but these cannot affect the Chairmanship of the Council of Ministers. In the performance of its functions the Government issues legal acts, which may be decrees, instructions or decisions. In its capacity as the supreme executive organ of state, the Council of Ministers possesses extensive rights of a governing character, which, in extent and importance, go beyond concrete and operative leadership within the competence of the various branches and fields of national administration. Thus the Government is the body which defines the over-all national policy of the entire administration. Nevertheless, however extensive the competence of the Council of Ministers, it has specific and legal limitations. First, the Government cannot legislate. It cannot exercise justice or such supervision, as the supreme supervision over the legal system, exercised by the Public Prosecutor's office. Nor can the Government abrogate acts of the local organs of state authority.

The Council of Ministers can take under its direct control certain branches of the administration by forming commissions, committees, councils, general boards, and so on for this purpose, and these are directly subordinate to it. The Government is thus able to exercise direct operational guidance in some branches of the state administration.

At the end of 1968 the National Assembly set up a Committee of Economic Co-ordination as an internal structural organ within the operation of the Council of Ministers. It is headed by the First Deputy Chairman of the Council of Ministers. It consists of heads of economic Ministries and other departments, members of the Government, appointed by the Council of Ministers. As its name implies, the Committee co-ordinates all activities in the economic field. Moreover, it finds solutions to current economic problems; takes the initiative for the solution of such problems by the Council of Ministers; and prepares the necessary papers, which are later discussed by the Government. Its decisions have the force of governmental acts.

#### Central specialized departments and organs of state government

To exercise national leadership and to perform state functions, corresponding specialized departments and organs of the administration are formed centrally in the various branches and fields of the country's economic, cultural, social, public health and administrative life. Traditionally, they are called ministries. Parallel with the ministries, however, there also exist committees, state committees, general boards, and so on. A number of differentiations and classifications can be made within the system of ministries and other central executive departments. The chief differentiation, which is also of the greatest practical importance, is their classification into functional and branch ministries or departments. The functional government offices include those which implement national policy in a given field or a given sphere of activity with the aid of, and through, the corresponding branch ministries and departments, and district people's councils. Such functional ministries and departments, for example, are the State Planning Committee, the State Committee of Science and Technical Progress, the Ministry of Finance, the Ministry of Labour and Social Welfare, the Committee of Prices and the State Information Board.

The branch Ministries and Departments can also be classified into two basic groups: economic and non-economic. The first group, which carry out their activities strictly in the economic field, include the Ministry of Home Trade, the Ministry of Agriculture and Forestry and the Ministry of Light Industry. The Ministry of Justice is in the non-economic group.

A typical feature of the system of the specialized organs of the central state administration are certain public-and-state organs. Such are the Committee on Art and Culture and the Committee on Youth and Sports. The Committee on Art and Culture is an elected public-and-state organ, which carries out the supreme policy in the sphere of culture and the arts. It was elected at the First Congress of Culture in the People's Republic of Bulgaria, held in 1967. The Chairman of this committee is a member of the Government.

#### Judicial Organs

To this category belong above all the law courts. There is a Supreme Court of the People's Republic, twenty-seven district courts and one city court in Sofia with the status of a district court. The judges and the assessors in the district courts and the Sofia city court are elected by the appropriate people's councils and report to them on their activities.

There are also 104 people's courts in the country, which administer justice in the areas of jurisdiction, defined by order of the Minister of Justice. The Law on the Structure of the Courts also provides for the existence of military courts. Some independent organs of jurisdiction, such as the State Arbitration Court, are also included among the courts of justice.

#### The Public Prosecutor's Office

The Public Prosecutor's Office is, in effect, a system of state organs entrusted with the authority to exercise supreme supervision over the legality of the acts of state organs, public organizations, officials and citizens. The public prosecutor can take steps to rescind illegal acts and actions, to prosecute those who have committed crimes, and to take action aimed at preventing crimes and other violations of the law.

The Public Prosecutor's Office is headed by the Chief Public Prosecutor of the People's Republic, who is elected by the National Assembly and is subordinate only to it. The remaining prosecutors, as well as the examining magistrates at the Public Prosecutor's Office are appointed by the Chief Public Prosecutor and are responsible to him.



## II. RELATIONSHIP BETWEEN THE CENTRAL STATE ORGANS AND LOCAL AUTHORITIES

### Co-ordination between central and local government

In a number of countries, relations between the central and local administration are differentiated and may even accept the concept of the organs of local self-government operating separately. In some instances local authorities are treated as autonomous units and are outside the system of the state administration. Moreover, their establishment and functions are intended to achieve a certain decentralization of executive authority in some limited sphere of activity, such as for example, education, medical services or urbanization.

In the socialist countries, however, relations between central and local organs are established on the basis of the harmonious combination of the national will, with the will of the local groups. This is ensured through the mechanism of the state apparatus and by the principles of its organization and operation. The local organs of state authority in the socialist countries differ substantially from the municipal organs of the traditional type. They are neither autonomous bodies, independent from the centre, nor territorial units of one or other ministry of the central executive. The people's councils are independent and competent organs of a unified state authority, which implement the economic, social, cultural and administrative policy of the state in the area of their respective administrative units. They have a specific competence, but what is typical of them is that they also possess the necessary rights to co-ordinate the activity of the other organs of the state in their respective districts or municipalities.

In the People's Republic of Bulgaria there exists no dualism between central and local authorities and more specifically between central and local elected organs. For this reason, the parliament and the people's councils are organs of the same nature. Their elective character defines the similarity which in principle exists between them. On this basis organizational unity is established between the supreme representative organ (the parliament) and the local representative organs. They form a unified and integral system in which the local elected bodies are not organs of independent local authority, but participate in the exercise of a unified state authority in their respective territorial units. Thus there are neither political nor economic foundations to create an antithesis between the local and central organs of state authority. Relations between them develop on the basis of the unity of national and local interests and of the unity of state authority.

National development in the People's Republic of Bulgaria follows a trend, whereby the independence and initiative of people's councils, as local organs of state authority and public self-government, are increasingly enhanced, and their capability is constantly extended so that they take still more fully into their own hands the general guidance and implementation of the state, economic, social and cultural policy in their areas. Under these circumstances, the activity of the central state organs is aimed at securing unity in the economic, social and cultural policy of the country, in the co-ordination of basic trends in the different undertakings, and in the creation of conditions under which the initiative, independence and responsibility of the district and municipal people's councils will be enhanced. Mutual relations between ministries and the people's councils are based on their co-operation and on the coordination of their

activities in the solution of common problems, the independence of the people's councils being reinforced in the solution of local problems.

In this connexion, the state organs of administration in the districts and municipalities are established in principle only within the operation of the respective people's councils and form part of their apparatus. Most of the ministries and other central departments do not possess their own local specialized executive and administrative bodies, apart from people's councils, and are subordinated only in a functional sense to the appropriate units of the central administration. The central departments carry out their specific activity locally through the people's councils and their organs, or with their assistance. A certain deviation from this principle is allowed only for local units of the Ministry of National Defence, the Ministry of the Interior, the Ministry of Transport and the Ministry of Communications. But even these bodies carry out their local activities with the co-operation of the people's councils, fully co-ordinating their work with them.

The principle of democratic centralism and the status, which the people's councils actually enjoy within the system of the state apparatus as basic organs of power in the districts and municipalities, makes it necessary for their branch executive and administrative organs also to carry out locally the tasks of the central departments, without however becoming direct units of the apparatus of central government. These organs are, and remain, part of the apparatus of the people's councils and as a rule are financed from their budgets. For this reason the ministries and the other central offices as a rule exercise, through the councils' executive committees, a specialized and methodological guidance of the appropriate branch organs within the operations of the district people's councils. Direct operational guidance of the local branch organs of the administration is exercised by the appropriate people's council and its executive committee. The ministries, however, have the right to address themselves directly to the respective branch organs of administration at the level of the people's councils for the solution of current operational problems.

### The role of the local authorities

The complex character of the local activity of the people's councils makes it necessary for them to participate not only in the carrying out, but also in the shaping, of national policy. This determines their particular role in economic planning and more specifically in co-ordinating the activity of all the economic units in their area, irrespective of whether these economic units are directly subordinate to the people's council or to central organs, such as ministries or other central administrative departments. Moreover, the people's councils take part in the elaboration of the national plan and, on the basis of the general distribution of the agencies of production, they prepare forecasts for the complete and harmonious development of the district or the municipality, over a longer period of time. On the basis of the national plan and the trends of development of individual branches, they draw up and adopt the district's five-year plan, in which attention is focussed on the activities, which create conditions favourable for the effective development of the agencies of production in the area of the municipality. The operative planning of local industry and of communal activity is entirely in the hands of the people's councils, because these activities are most closely connected with the everyday

needs of the population, and the local organs of state authority and administration are the most familiar with them.

### Social administration

In defining the place of the people's councils within the system of social administration in the People's Republic of Bulgaria, it is essential to understand the most important feature of their activity. As organs elected by the people and expressing their interests, the people's councils have a wide variety of obligations in all spheres of activity. They contribute to the further development of the economy and to the increase of its effectiveness, to the introduction of technical progress and to a scientific organization of production, labour and management. But the most important feature of their activity, especially in the municipal people's councils, is the solution of the problems of communal policy, of the social, cultural and other needs of the population.



### III. PROBLEMS OF LOCAL GOVERNMENT

The place of the people's councils as local authorities within the system of social administration, the volume and character of their competence, their relations with the other organs of State and with the public organizations, their links with the general public, undoubtedly all give rise to numerous problems.

Thus, at the end of 1958, the question of establishing a more rational system in the administrative and territorial division of the country was already under discussion. Until then, the country was divided into districts, counties and municipalities. The over-all co-operation of the farms, their gradual merger and consolidation as developed socialist agricultural co-operatives gradually made the countries superfluous as territorial units. That is why, a new two-tier territorial division came into force; the districts and the municipalities, and also the metropolitan boroughs in the city of Sofia, which remained in existence. This new territorial division gave rise to new problems, for example, the problem of the correct distribution of competence between the people's councils at the district and municipal level, of the correct division of the country into regions, and so on.

The status of the people's councils within the system of the State apparatus also raises the question of the differentiation between their competence and that of the central organs, and more specifically, the differentiation between the administrative apparatus of the people's councils and the central organs of State administration. There was for a long time a two-fold tendency, to extend the rights of the people's councils and their administrative apparatus on the one hand, and, on the other, to attempt to centralize the administration of some State activities. This led to a development of the authority of the central organs of State administration at the expense of the people's councils.

The development of social relations in the country has repeatedly raised the problem of the necessity to find the most efficient structure of the people's councils and of their administrative apparatus. The major question raised in this connexion was that of extending the representative character of the local authorities. On several occasions this made it necessary to reduce the standard, according to which the councillors are elected as members of the people's councils. Naturally, this extension of the representative character of the councils cannot be indefinite, and the problem is how to establish a standard for the election of a councillor which will satisfy the requirements both for a broader representative character of the people's councils and for the creation of an operative organ. The structure of the apparatus of the people's councils has only varied according to the tasks imposed upon the local units of government. An attempt has been made to establish it on a differentiated basis, according to the level and type of the people's council, and depending upon the size of the population on its area, by the creation of a model, which on grounds of expediency, is structurally best adapted to actual conditions.

Undoubtedly one of the most essential problems related to the people's councils, is the problem of the political and business qualities and the qualifications of the councillors and of their administrative personnel. It is also important to remember that all the councillors are elected and that the

executive committees of the people's councils are elected from among the councillors. This raises the problem of electing to the people's councils persons, who possess the necessary qualities and qualifications to deal with the numerous and complex tasks of the local authorities. Because of the elective character of the people's councils and of their executive committees, it is also necessary to develop suitable and effective supplementary qualifications amongst their members by organizing suitable schools or courses. The same problem exists in connexion with the training of administrative and technical personnel, but since the majority of this personnel is not elected, it is appointed in accordance with prescribed requirements, based on educational qualification and length of service.

There are many problems connected with the financing of the people's councils and the exercise of financial control over their activity, as well as with their planning work.

The problems of the councils do not exist in isolation, but are connected with the problems of the administration of the society as a whole. They must therefore be considered and solved in those terms. With these considerations in mind, the Central Committee of the Bulgarian Communist Party devoted a special Plenary Session in November 1968 to the problems of the place and role of the people's councils, within the system of social administration. All the appropriate problems, relating to the people's councils, were discussed at this session and measures were drawn up for their successful solution. These included measures for the correct organization of relations between the central organs and the local authorities; for the development of the people's councils as independent and competent organs; for the specification and extension of their authority; for their financial authority and their planning activities; for their relations with the public organizations, for the improvement of the structure of their apparatus and for the improvement of the qualification of their staff.

The decisions of the Plenary Session of the party's Central Committee led to corresponding amendments in the Law on People's Councils, which were adopted by the National Assembly in July 1969. 1/ They also led to the adoption of a special decree by the Council of Ministers 2/ enhancing the role of the people's councils within the system of social administration. This decree also approved a set of regulations concerning the tasks and functions of the district and municipal people's councils and their organs. Structural models for the various levels and types of people's councils were also approved.

At the present stage of the country's development, however, the adoption of these legal acts did not solve all the problems connected with the legal regulation of the people's councils and of their organs. This has made it necessary to draw up a new Law, dealing with people's councils, the work on which is now being undertaken with expedition. It also makes it necessary to bring up to date the sections of the Constitution which define the status of the local authorities. Since a new text of the Constitution is now being drawn up, this problem will probably be solved when it is adopted.

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1/ State Gazette No. 54, 11 July 1969.

2/ Decree No. 20, 20 May 1969.



#### IV. SERVICES FOR THE ASSISTANCE AND SUPERVISION OF LOCAL ADMINISTRATION

##### Relations between central and local organs of government

The relationship between the central and local organs of government and therefore the functions of the various central services in the supervision of, and assistance to, the local organs of self-government, depends upon a number of specific considerations. It is important to remember that one aspect of this problem deals with the definition of the relationship between central and local organs of State authority and the people's councils themselves; and another with the relationship between the central and local organs of State administration, included in the operational structure of the people's councils. In fact the people's councils, which are directly elected, representative, organs of the people are in a different relationship to the central organs of state authority than to the central organs of state administration. This makes it necessary to examine these problems separately.

##### Relations between the people's councils and the central organs of state authority and administration

As already explained, the organs of State authority in the People's Republic of Bulgaria form a unified system at the summit of which is the National Assembly and the Presidium. Relations between the organs of State authority at the different levels are such that the lower organs are dependent upon the higher ones. So also are the people's councils dependent as local organs of state authority. All the people's councils, including those at the highest level (the district people's councils) are subordinate to the higher organs of State authority, namely, to the National Assembly and the Presidium. This subordination achieves unity in the activity of the local authorities and in the over-all development of the districts and the municipalities in accordance with the interests of the State as a whole. However, this is achieved on a legal basis and within the limits specified by the law; it cannot in any way be considered as some sort of tutorship or restriction of the independence and initiative of the people's councils. In dealing with problems within their competence, the people's councils are fully independent; they may take initiatives, but they must carry out their activities on the basis of the law and other acts of the National Assembly and of the Presidium of the National Assembly, and in full conformity with the national policy, for which they have responsibility.

Under the Constitution and the Law on people's councils, the operative leadership and control over the whole system of local organs of State authority are entrusted to the Presidium of the National Assembly. Since the Presidium is a permanently functioning organ, it is thus in a position to exercise a permanent leadership and control with regard to the local organs of State authority. On the other hand, the Presidium itself is responsible to the National Assembly for its entire activities.

The fact that the Presidium of the National Assembly exercises in principle the operative guidance of the people's councils does not exclude the possibility, in specific cases, for the National Assembly itself to take a direct part in the

guidance of the local organs of State authority; but the National Assembly does this in a different way. First of all, the National Assembly exercises its functions of guidance with regard to the people's councils through the laws, adopted by it. In this connexion it should be pointed out that even the legal status of the local organs of State authority is regulated through legislative measures of the National Assembly, which for this purpose has passed a special law on people's councils. Moreover, through other legislation, the National Assembly can create obligations for the local organs of State authority. The socialist parliaments are the supreme organizers of the planned administration in their respective countries. They pass long-range and current plans for the socio-economic development of the country; they also pass the national budgets. The local organs of State authority, must adopt corresponding plans and budgets for their respective district, regions and municipalities in conformity with national plans and the national budget.

There is in the National Assembly, a Standing Committee on People's Councils. It exercises control and guidance of the local organs of State authority on behalf of the National Assembly. It participates in the discussion on bills, as well as on drafts of other acts, aimed at standardization of the activities, structure, and system of work of the people's councils; it inspects the districts and the municipalities; it hears reports and information presented by the local organs of State authority and administration. This committee cannot assume the functions of the National Assembly, but it can make proposals to the latter or to the Presidium of the National Assembly in connexion with the work of the people's councils.

The concrete basis of the relationship between the people's councils and the central organs of State authority may be defined as follows:

According to Article 50 of the Constitution, "Within the limits of their competence the local people's councils take decisions and issue orders in compliance with the laws and general directives of the higher organs of State authority." This stipulation of the Constitution expresses in the first place the requirement of the people's councils to respect the law. Parallel with this, they must take into account in their work the general instructions of the National Assembly and of the Presidium. This should not be understood in the sense that the people's councils automatically apply the instructions of the higher organs of State authority. In actual fact they have to apply their acts with initiative and in a constructive manner, taking into account the local conditions and the actual situation.

The higher organs of State authority have the right to control the activity of the people's councils. They are empowered, under specific conditions, to take measures both with regard to the acts, issued by the people's councils, and with regard to the persons, who are members of the appropriate organs.

According to Article 66 of the Constitution, the Presidium of the National Assembly has the right to repeal any illegal and irregular acts of the people's councils, which are subordinate to it. Acts are considered irregular, if there is an incorrect application of the law or of other acts to set up standards, without an actual violation of the legal requirements or the conditions of legality. The right of the Presidium of the National Assembly to repeal the acts of the people's councils when they are illegal or irregular ensures

legality, unity and expediency in the work of the local organs of State authority. A new act can be substituted for the repealed act, not by the organ which has exercised this right of control but by the people's council itself, whose act has been cancelled. This is required under the principle of democratic centralism, according to which the rights to adopt such acts belong to the people's councils, the level of which is strictly specified.

In some cases, specifically provided for in the law, the right of control of the Presidium of the National Assembly with regard to the acts of the people's councils can also be exercised in a different way. For example, under article 39, paragraph II, of the law on people's councils, the decision to recall a councillor is taken by the people's council to which he is elected. In order to put this decision into effect, however, it must be approved by the higher organ of State authority.

According to Article 70, paragraph I, of the Constitution, the Presidium of the National Assembly has the right to dissolve a people's council, if it systematically violates the Constitution or the law, or if it proves incapable of operating, or if its decisions or actions harm the general interests of the State. For many years there has been no such case where the Presidium of the National Assembly has dissolved a people's council. This suggests that with the future amendment of the Constitution this stipulation should be dropped, because it no longer applies to the social and legal situation of the country.

Besides their relationship with the higher organs of State authority, the people's councils also maintain relations with the central organs of the State administration. The activity of the people's councils is thus also guided by the Government. By virtue of article 9, paragraph II, of the law on people's councils, in making decisions and issuing instructions, the local organs of State authority must take into account the decrees and instructions of the Government. The people's councils must also take the acts of the Government into account because of the fact that the latter solve a number of problems of administration, and the Council of Ministers is the supreme organ of State administration in the country. As a result of the mutual relationship, established between the Government and the people's councils, the Council of Ministers can effectively exercise control over the acts of the people's councils. By virtue of Article 69 of the Constitution the Government and its individual members have the right to suspend the execution of illegal and irregular acts of the people's councils. This suspension is provisional. The administrative organ, which has suspended an act of a people's council, must immediately refer the matter to the Presidium of the National Assembly. It is the Presidium which will decide whether the act is in fact illegal or irregular and whether it should be rescinded or remain in force. The Government cannot directly repeal an act of a people's council, neither can it take any direct measures, with regard to the people's council itself. It cannot dissolve the people's council, or discharge its executive committee. This is because, although the Government is a supreme organ of State administration, it is not an elected organ, while the people's councils are elected organs and for this reason they depend either directly on their electors or on the higher elected organ, namely, the National Assembly.



## Relations between executive committees and central organs of State authority

The relations between the executive committees of the people's councils and central organs of State authority and administration are on a different basis. The typical feature of this relationship is that, as a rule, they are established upon the principle of the double responsibility of the executive committees. Executive committees are responsible simultaneously, and to an equal degree, both horizontally to the people's councils which have elected them, and also vertically to the higher organs of State power. The executive committee is fully subordinate and answerable to the people's council which has established it. This is its horizontal responsibility. By virtue of article 10 (b) of the Law on people's councils, the local organs of State authority not only elect the executive committees, but also guide and control them and hear reports on their work. In this connexion the people's council has the right to cancel illegal and incorrect acts and decisions of the executive committee. It also has the power to dismiss the executive committee or individual members of it and to elect other members from among the councillors.

The vertical responsibility of the executive committees takes effect in their responsibility to the higher organs of State authority, including to the central organs of State authority, the National Assembly and the Presidium of the National Assembly; and to the higher organs of State administration which have general competence, including the Council of Ministers.

The central organs of State authority, and in particular, the Presidium of the National Assembly, guide and control not only the people's councils but also their executive committees. As a rule the instructions of the Presidium of the National Assembly are carried out by the executive committees of the people's councils. In its Article 70, paragraph II, the Constitution also envisages direct measures, which can be taken by the Presidium of the National Assembly, to influence the conduct of the executive committees of the people's councils. By virtue of this section of the Constitution, the Presidium of the National Assembly has the right to relieve the executive committee of a people's council of its duties and to require elections for a new executive committee. However, the new executive committee must necessarily be elected solely by the appropriate people's council. In no instance can it be appointed by the organ which has exercised a right of dismissal under Article 70, paragraph II of the Constitution.

The Presidium of the National Assembly can cancel illegal and irregular acts of the executive committees.

The basic vertical responsibility of the executive committees is to the Council of Ministers. The Government can issue mandatory orders to every executive council, exercise control and take legal measures which must be respected by the executive committees and their members. More specifically, it has the right to cancel illegal and incorrect decisions and acts of the executive committees, as well as to take disciplinary action against the members of the executive committees, which it controls with the exception of the most severe punishment, namely, dismissal and reduction in rank by imposing upon them the penalties provided for in the Labour Code. As already explained, members of the executive committees can be relieved of their duties only by the organs of State authority.

Apart from the local organs of state administration with general competence, such as the executive committees, associated with the people's councils, there are also specialized organs of state administration, in the various branches and spheres of administrative activity. They are of two kinds: the first are subordinate only to the executive committee, associated with the appropriate people's council by which they have been established; and the others have a double responsibility. The first are guided and controlled only by the appropriate executive committees. They can be guided by the central organs in matters concerning the method of their activity, but not operationally. The other specialized organs of state administration, associated with the people's councils, and having a double responsibility, are dependent horizontally on the executive committees and the appropriate people's councils, and also vertically, on the corresponding specialized organ of state administration. This means that, although the organ of state administration is incorporated within the machinery of the people's council, the decisions and instructions of the corresponding specialized central organ of state administrations are binding on it.

In some instances the law may provide for branch organs of administration associated with the executive committee of the people's council to be subordinate horizontally for one area of their activities, and vertically for another. Thus we have a peculiar form of divided responsibility, which is created with a view to achieving the most effective guidance of these bodies by both central and local organs of state administration and state authority. The degree of responsibility and the specific tasks for which these organs are responsible vertically or horizontally are determined by the legislation, which regulates the relations between the various organs. Since the local specialized organs of state administration are also organs of the people's councils, the latter elect their heads. The laws provide only one exception to this general principle; the heads of the financial departments of the district people's councils are elected by the councils only after previous co-ordination with the Minister of Finance. This is required, because of the need for a greater centralization in the exercise of financial control.

Some questions of organization are of great importance for the correct guidance and control of the people's councils by the central organs. This is obvious, if it is understood that, in the governmental structure of the People's Republic of Bulgaria, the leadership and control of the people's councils and their organs is exercised by the National Assembly, the Presidium of the National Assembly and the Council of Ministers. It is clear that these supreme organs are not always in a position to act directly in this respect, nor is this always necessary. Corresponding auxiliary organs have therefore been created, through which the supreme organs of state authority and administration exercise their authority.

#### The People's Councils Department

Until recently there existed a certain dualism in the establishment of such auxiliary organs. This arose mainly through the existence of two auxiliary organs, one at the Presidium of the National Assembly, which dealt with the people's councils themselves, the other at the Council of Ministers, which exercised the appropriate functions with regard to the executive committees of the people's councils and their boards, departments and services. It is clear however, that the activity of the people's councils cannot be disassociated from those of their

administrative apparatus; for this reason it was inexpedient to establish two organs, each acting independently of the other. Therefore, at the beginning of August 1969 a single organ for the guidance and control of the people's councils and their organs was set up: the People's Councils Department of the Presidium of the National Assembly.

This department is only an auxiliary organ of the Presidium and carries out its decisions. It has no authority over the people's councils and their operational machinery. It submits its findings, proposals and views to the Presidium, which, as an organ of state authority, can take the necessary authoritative action with regard to the people's councils, their executive committees, boards, departments and services.

As an auxiliary organ of the Presidium of the National Assembly and as an agent for carrying out its decisions, the People's Councils Department directs and assists the people's councils and their organs in the fulfilment of their tasks. Together with the ministries and the other central offices, it gives instructions to the people's councils and their executive committees on the implementation of laws and decisions adopted by higher organs. In parallel with this, it exercises control over the local authorities with regard to the legality and correctness of their decisions and acts, and the effectiveness of the measures taken by them. When it identifies illegal and incorrect actions or acts, it submits a proposal for their cancellation to the appropriate competent organ. In principle, this is the Presidium of the National Assembly.

The People's Councils Department co-ordinates the activities of the ministries and the other central offices with the activities of the people's councils and helps to establish correct inter-relations between them. In this connexion, it gives its opinion on the directives, establishing rights and obligations for the people's councils and their organs, issued by the ministries and the other central offices, in order to avoid contradictions or overlapping in the regulations, as well as improper regulation of the activity of the local bodies. If a controversy arises between the Department and a particular ministry, it is resolved by the Presidium of the National Assembly.

Moreover, the department assists the people's councils and guides them in connexion with the acceptance and examination of complaints from the public; it watches over the fulfilment of instructions from the electors; it submits to the Presidium of the National Assembly proposals for laws, governing the activity of the local organs, as well as for supplements and amendments to them. It summarizes and communicates information concerning useful experience in the activity of the people's councils and their organs; it takes care that councillors maintain correct contact with their electors and members of the people's councils with the different teams of working people; it organizes the furnishing of reports by the people's councils to the general public.

The organization of training and the development of additional qualification for the staff employed within the system of local organs of state authority and administration is one of the important tasks of the People's Councils Department.

The department has been created only very recently as a unified agency, exercising guidance and control on behalf of the Presidium of the National



Assembly over the local organs of government, and carrying out the decisions of the Presidium. It has not yet fully developed its structure, nor has it gained adequate experience. Its activity will be facilitated by experience, derived from the work of the organs which preceded it and had their structural place within the system of the supreme organs of state power and administration. However, it has not been created for the purpose of continuing former practices, but in order to ensure the most rational guidance of the local authorities, on the basis of modern administrative science, on behalf of one of the supreme organs of state, namely the Presidium of the National Assembly.

#### Other organs and organizations involved with the organs of self-government

The political organization of the People's Republic of Bulgaria thus provides for a number of specific methods for assisting the people's councils and controlling their activity. These methods are associated not only with the work of state organs but also with the work of public, non-state organizations, the most important being the Fatherland Front.

Among the various specialized methods of control of, and assistance to, the work of the people's councils and their organs, the following are of principal interest:

#### Supervision by the Public Prosecutor's Office

The Public Prosecutor's Office represents a system of specialized agencies, which exercise a supreme supervision over the legality of decisions and acts of organs, organizations, officials and citizens. In particular, the Public Prosecutor's Office has the right to exercise supervision over the legality of the actions of the people's councils and their executive and administrative organs. If he finds that a people's council, or one of its administrative agencies, has committed an illegal act, he can draw its attention to the matter and request the people's council to comply with the law that has been violated. Moreover, the Public Prosecutor possesses another, still more effective instrument: the Public Prosecutor's Protest. This is an act of the Public Prosecutor, by which he officially protests to the agency which has committed an illegal act or to the higher agency for the issue of an illegal directive. The Public Prosecutor's Protest obliges the agency to which it is addressed to take appropriate action and to inform the Public Prosecutor within ten days whether it is prepared to comply with his protest or not. If it complies, it either has to repeal or amend the illegal act. If the protest is not accepted, the Public Prosecutor has the right to follow up his protest by referring the matter to still higher authority, if he is convinced of the justice of his case.

The people's councils are obliged to send copies of the minutes of their sessions to the appropriate Public Prosecutor, so that he may check the legality of the decisions taken by them. The executive committees of the people's councils are obliged to invite the Public Prosecutor to their meetings. In this way the Public Prosecutor exercises direct control over the legality of their actions.

In cases when the Public Prosecutor establishes that a criminal action has been committed in the work of a people's council or one of its agencies, he initiates legal proceedings against the official responsible for it.

## Control, exercised by the State Control Committee

The State Control Committee is a government body which exercises unified, general and permanent control over the activity of administrative and economic agencies and organizations. The Committee and its associated organs attempt to ensure the strict fulfilment of decisions of the Party and of the Government; the further improvement of economic management in order to achieve an all-round advance in the national economy; and respect for state discipline and legality. The organs of state control contribute to the prevention and elimination of violations of state discipline and of the law, and ensure that government personnel are not guilty of illegal and anti-social acts. In cases, where the State Control Committee establishes that illegal or improper actions have been committed, it can issue mandatory instructions to the controlling agencies and impose disciplinary sanctions on the responsible officials.

## Supervision by the courts

As a rule, the acts of the people's councils and their organs are controlled by the higher organs of state authority and administration. However, in some cases specified by the law, supervision over the legality of the acts of the people's councils and their organs is exercised by the courts. Thus, appeals against certain penal decrees, under which the organs of the people's councils inflict administrative punishments for the violation of regulatory acts, issued by them, are made in the courts.

Appeals can also be lodged with the courts in respect of other acts of the people's councils and their organs, when this is specifically provided for in the law. Such acts usually affect the subjective rights of the citizen. These include acts, connected with the urbanization of specified localities, by virtue of which private property of citizens is expropriated; as well as certain acts by which taxes, such as, for example, the inheritance tax, are imposed on the citizen.

This procedure is based on the theory that there must be an extension of the scope of cases, in which appeals lodged in principle with the courts against the acts of the people's councils and their organs, if these affect the subjective rights of the citizen.

## The Fatherland Front and other public organizations

By virtue of article 52 of the Constitution, the people's councils rely in the performance of their tasks on the initiative and broad participation of the general public and public organizations. The Fatherland Front plays a particularly important role in this respect. It is the broadest nation-wide public and political organization in the country and creates mass support for the people's councils. There is a co-ordinated co-operation between the Fatherland Front and the local state organs which involves a variety of methods and forms of organization for its achievement. Above all, the Fatherland Front actively participates in election campaigns for the people's councils. The candidates for councillors are nominated by it, and the electoral commissions are formed on the initiative of the appropriate Fatherland Front organizations and with their direct participation.



The Fatherland Front helps the people's councils to organize their sessions, and to prepare and to implement their decisions. It also renders similar assistance to the organs of the people's councils. The executive committees of the people's councils and the bureaux of the Fatherland Front organizations hold joint meetings, at which they discuss the major problems of their common work. By virtue of the law on the people's councils (article 24, paragraph III) the local organs of state authority can hold joint sessions with public organizations. In practice, such joint sessions are held chiefly with the Fatherland Front and important problems of great significance for the public are there discussed and solved.

The Fatherland Front also exercises control over the people's councils and their organs. It can make proposals to eliminate any irregularities, permitted by them, and can demand the punishment of those responsible.

The people's councils also act in conjunction with other popular organizations, such as the trade unions, the Komsomol, and the co-operative organizations.

## V. ORGANIZATIONS OF LOCAL SELF-GOVERNMENT

In the People's Republic of Bulgaria there are no special organizations of local self-government or individual associations for the improvement of local self-government. There exists however an Administrative Workers Trade Union, to which the employees within the system of the people's councils belong. Among other things this trade union has set itself the task of contributing to the improvement of the work of the people's councils and of their administrative organs, so as to improve local self-government. It carries out the necessary sociological studies, organizes healthy competition between the different people's councils and contributes to the exchange of valuable experience.

## VI. FINANCIAL AUTHORITY OF THE PEOPLE'S COUNCILS

The problem of the financial authority and potentialities of the people's councils is of great interest both in theory and in practice. In the People's Republic of Bulgaria the budget of the local organs forms part of the national budget. Until recently the people's councils had at their disposal all the profits from the enterprises of local industries and public utilities, any shortage of funds being covered by subsidies from the national budget. The chief shortcoming of this method of collecting the revenue of the people's councils lay in the fact that their budgets were not sufficiently linked up with the operational results of the centrally-controlled enterprises within the area of the district or the municipality. This was undesirable, because the operation of the people's councils is largely aimed at creating normal working conditions for these enterprises.

For this reason, from the beginning of 1969, the income of the people's councils was fully linked with the financial results of production of all the enterprises, under both local and central jurisdiction, in their areas. The subsidies from the national budget were entirely withdrawn and were replaced by contributions from the centrally-controlled enterprises.. The size of these contributions is fixed on a differentiated basis for the different districts, depending upon their economic development and upon the character of the industrial enterprises themselves. This linking up of the budget of the people's councils with the activity of the economic enterprises and organizations centrally controlled but located on their areas, stimulates the local organs of state authority to contribute more actively to the fulfilment of the plans of these enterprises and organizations. Under this new system of subordination, the enterprises themselves will be justified in seeking more insistently the assistance and co-operation of the people's councils.

The budgets of the municipal people's councils are established on the same basis, the district people's councils having an obligation to balance them in a fashion determined mainly by the nature of the enterprises and other economic organizations in the area of the municipality. When the financial revenue from the activity of the enterprises is insufficient, the district people's council has the right to grant subsidies to the municipal people's councils, within the framework of its budgetary potential.

Moreover, the municipal people's councils can accumulate moneys in a special fund for undertakings in the field of urbanization; for the building and equipment of schools, commercial, social and children's establishments; and for cultural and social needs. The moneys in these funds are collected under contracts between the municipal people's councils and the state economic trusts, enterprises, co-operative farms and other co-operative organizations.

In order to obtain more funds in foreign currency, the people's councils are able to reach an understanding with the state economic trusts and with the co-operative unions to receive a certain portion of the latter's foreign currency funds for the supply of the necessary equipment for urbanization, public health and educational purposes. This should stimulate the people's councils to help the various enterprises and co-operatives to fulfil their export plans more successfully.

## VII. TRAINING OF STAFF

There are many employees working within the operational system of the people's councils. A large number of them are experts in their various specialized fields. Irrespective of this, the state has the responsibility of increasing their knowledge and maintaining their qualifications at the level of modern science. One of the basic tasks of the People's Councils Department at the Presidium of the National Assembly is therefore, in conjunction with the higher educational institutions and with the Centre for the Training of Senior Cadres to organize appropriate measures for increasing the qualifications of senior executive personnel of the people's councils. To be more specific, what is being done in this field is as follows:

Short courses are organized in accordance with a unified curriculum, prepared by the Law Department at Sofia University for members on the staff of the executive committees of the people's councils, who have a university education. These courses are organized by the Centre for the Training of Senior Cadres, which has its head office in Sofia.

For members on the staff of the executive committees of the town people's councils, who have not had a university education, short courses are organized at the branches of the Centre.

For the members on the staff of the executive committees of the village people's councils and for the representatives of the people's councils in the village municipalities, three-month vocational courses are organized in permanently functioning schools, specially set up for the purpose under the direction of the People's Councils Department at the Presidium of the National Assembly.

The specialists with university degrees, working in the boards, departments and services of the district and municipal people's councils attend vocational courses, organized periodically by the appropriate universities. In these courses they became acquainted with the latest advances in science and study useful cases, drawn from practical experience.

The specialists with secondary education working in the boards, departments and services of the district and municipal people's councils refresh their knowledge and improve their qualifications in special schools, supported by the district people's councils.

## VIII. STUDIES OF THE PROBLEMS OF LOCAL GOVERNMENT

The problems of the people's councils are of considerable practical and theoretical interest, and problems of theory and practice are closely interrelated related. This implies that theory is directed to a large extent towards the solution of problems of immediate practical interest, while practice itself examined in order to draw scientific conclusions and to determine the correctness of the established theoretical concepts.

Scientific studies of the problems of local government (of the people's councils and their organs) are mainly conducted by the Law Department of Sofia University, by the Law Institute at the Bulgarian Academy of Sciences and, to a certain extent, by the Law Department at the Karl Marx Institute of Economics in Sofia. The newly-established People's Councils Department is required to take a number of initiatives in connexion with the scientific study of the problems of people's councils. In particular it is entrusted with the study of the problems of the scientific organization of the work of the local organs, and with considering and suggesting methods of the application of the achievements of science in this field. The Department also studies such problems as the improvement of the electoral system, and the correct structure of the administrative and territorial units.

A series of lectures on the Organization of the People's Councils forms part of the curriculum of the Law Department at Sofia University. Moreover, problems of the people's councils are dealt with in the course on State Law and to a certain extent in the course on Administrative law, also studied in the Law Department. The lecturers in these subjects systematically study the problems of the people's councils, chiefly focusing attention on their nature as local organs of state authority and popular self-government; on the participation of the working people in the work of people's councils and their organs; on the competence of the local organs of state authority and state administration; on the problems of the organization and structure of the people's councils and their organs; on the electoral system; on the sessions of the people's councils, and of the standing committees of the people's councils; on the financial responsibilities of local organs; on problems of socioeconomic economic planning; and on relations between people's councils and central organs of government.

Research workers, who are trained jurists, actively participate in the drafting of the laws, which regulate the status of the people's councils and their organs.



## IX. SUMMARY AND CONCLUSION

The status of the local organs of state authority in the system of social administration, and their organization, structure and role, depend largely upon the political and economic system of the country. In the People's Republic of Bulgaria the people's councils are the most numerous organs of state authority, which exist closest to the people, represent them and carry out their will. Their importance is continuously growing; their rights are expanding; their structure is being improved; democracy in their organization and activity is extending and developing. Naturally, this does not mean that all the problems, associated with the people's councils, have been solved. Their solution cannot be easy, because the development of social relations constantly gives rise to new problems.

To sum up, the principles, which most essentially characterize the local authorities and the central services which guide, assist and control them, are as follows:

In the People's Republic of Bulgaria, there are district and municipal town and village people's councils which are local organs of state authority, structured in accordance with the existing administrative and territorial units. The People's Council of the City of Sofia, the capital, has the status of a district people's council. The capital is divided into six metropolitan boroughs, in each of which there is a borough people's council.

The people's councils are elected for a term of three years by secret ballot on the basis of universal, equal and direct suffrage. The mandate of the councillors is well defined. They may receive instructions from the electorate and may be recalled before their mandate is completed, if they fail to justify the confidence of the electorate.

The people's councils elect from among their own number, executive committees, each with a chairman, a deputy-chairman and a secretary. The executive committees are organs of the administration with general competence; that is to say, they have authority in all spheres of the administration. Specialized administrative organs - boards, departments and services, subordinate to the executive committees and to the people's councils themselves, are created as part of the operating machinery of the people's councils, for the management of the different branches of the administration. Those of the specialized organs of administration, which correspond by virtue of their function to central organs of the administration, are also vertically responsible to the latter. The executive committees are vertically responsible to the Council of Ministers.

As a rule, the central administration does not have its own field offices in the area of the districts and municipalities. They carry out their local tasks through the people's councils and their organs.

The people's councils also elect standing committees, which are their auxiliary, competent, supervisory and executive organs. As a rule, such committees are formed for the different branches of the administration, for example for agriculture, local industries or public education.

The people's councils and their organs are state organs. They form part of the whole system of integrated state apparatus and cannot be considered as

The people's councils and their organs are state organs. They form part of the whole system of integrated state apparatus and cannot be considered as organs of local authority, different from the integrated state authority. Together with the National Assembly and the Presidium of the National Assembly, they constitute the system of organs of state authority in the People's Republic of Bulgaria. A number of peculiar features stem from this, more particularly the fact that every people's council depends on the higher organs of state authority and that the National Assembly, or parliament, which is the supreme organ of state authority stands at the head of the whole system of the machinery of government.

The subordination of the people's councils and their organs to the higher organs of state authority, namely the National Assembly and to the Presidium of the National Assembly, is effected as follows: The higher organs of state authority can issue juridical acts which create rights and obligations for the lower organs. They may impose on the latter mandatory instructions, may exercise control over their activities, and in this connexion, may cancel any illegal and irregular acts, which they may have committed.

The Permanent Parliamentary Committee on People's Councils functions at the National Assembly. Its task is to help the National Assembly to find solutions to the problems pertaining to the local organs of state authority. The Committee takes part in the preliminary discussion of the legislation on the people's councils; it studies problems connected with the organization, structure and activity of the local organs of state authority; it exercises control over their work; and it makes proposals to the National Assembly and to the Presidium of the National Assembly on these problems.

The permanent over-all guidance and control of the people's councils and their organs is exercised by the Presidium of the National Assembly, which is a permanently functioning supreme organ of state authority.

In its activity in this field, the Presidium of the National Assembly is assisted by a special organ, the People's Councils Department, which forms part of its machinery.

The Government, as the supreme organ of state administration, also maintains contact with the local organs of state authority and state administration. It exercises supervision over the people's councils in the implementation of governmental decisions; it can suspend any illegal and incorrect acts, but it cannot cancel them. Only the Presidium of the National Assembly can do this. The Government controls the local organs of state administration (executive committees) and can cancel any illegal and incorrect acts, of which they may be guilty.

The specialized central organs of state administration, the ministers and the heads of other central government departments, can issue mandatory instructions to the local specialized organs of state administration (boards, departments and services) within the framework of their competence and on the basis of the existing law. They can also cancel any illegal and irregular acts.

The guidance and control functions, exercised by the appropriate central organs of state authority and state administration, over the people's councils

and their executive organs, do not infringe upon the independence and the initiative of the local organs of state authority. Mutual relations between ministries and the people's councils are established on the basis of co-operation and co-ordination of their activities in the solution of common problems; and of the independence of the people's councils in the solution of local problems. The role of the people's councils as local organs of state authority and of popular self-government makes it necessary for them to take an ever more active part in the shaping of national policy; and in the planning of the economy and in the co-ordination of the activity of all economic units on their areas, irrespective of their responsibility, that is irrespective of whether, like local industries, public utilities, and so on, they are directly responsible to the people's councils or whether, like state-owned industries, co-operative enterprises, and so on, they are responsible to central organs.

The organs of the Public Prosecutor's Office also exercise control over the observance of the law in the activity of the local organs of state authority and administration. The Public Prosecutor may demand the cancellation or amendment of any illegal act. In some cases, specifically provided for in the law, appeals may be lodged with the courts with regard to acts of the people's councils and their organs, which affect the subjective rights of the citizen.

The State Control Committee also controls the activity of the local organs of state authority and administration, chiefly in connexion with the fulfilment of important government decisions and the implementation of national policy.

A close link exists between people's councils and public organizations, amongst which a particularly important role is played by the Fatherland Front, the largest public and political organization of the Bulgarian people. The Fatherland Front gives expression to the popular support of the people's councils and their organs. It co-operates with the local organs of state authority and of people's self-government in the solution of their problems and the performance of their tasks, and in a number of instances it operates jointly with them to a far-reaching degree. The law permits the holding of joint sessions of the people's councils with the leadership of the Fatherland Front organizations, and joint meetings of the executive committees of the people's councils with the bureaux of these organizations.

Recently, the people's councils have been given considerable financial independence in order to be able better to perform their numerous tasks. Their budgets have been more closely linked with the economic activity of all enterprises in their areas. Under these circumstances, the more effectively the people's councils work and the more they facilitate the economic activities in their areas, the more favourable conditions will they have to increase their funds.

The possibility also exists for the people's councils to receive, under contracts with the interested enterprises and organizations, funds for specific purposes, such as urbanization, social welfare, health care, and cultural and educational undertakings.

The state takes organized measures to increase the qualifications and systematically to refresh the training and knowledge of the principal personnel and experts, working within the operating machinery of the people's councils.



Institutions of higher education, the Centre for the Training of Senior Cadres, special schools and other appropriate means are used to achieve this.

In the People's Republic of Bulgaria the attention of the Bulgarian Communist Party, of the highest organs of state, and of the public is constantly focussed on the problems of the people's councils and their operating machinery. Systematic steps are taken to improve their structure and organization, to extend their authority and to improve the style and methods of their work.

At present, work is in hand on the drawing up of a new Law on People's Councils which should ensure a modern legal regulation of the local organs of state authority and their apparatus. The adoption of a new Constitution is also forthcoming; it will incorporate a number of new principles in the status of the people's councils. The governing ideas in the creation of these legal acts have been dictated by the conditions prevailing at the present stage of development of the People's Republic of Bulgaria, which is in process of establishing a mature socialist society.

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## CZECHOSLOVAKIA

Miroslav Kovařík\*

### I. BACKGROUND INFORMATION

#### Basic structure of Government

The basic idea and conception of the Czechoslovak Federation is derived from the historical experience of the co-existence of Czechs and Slovaks in a common State. The Federation is the manifestation of the coincident will of two independent and sovereign nations to create a federal State as the expression of the right of self-determination of each of them, and of their equal rights in the political structure thus created.

The Czechoslovak Federation is based on socialist democracy. The democratization of the Czechoslovak Socialist Republic and the application of the principle of federal union between two closely related nations, are consequently intimately and organically connected. The federation can operate properly only in a democratic system which respects federal forms, not only in their constitutional relationship, but also in all the important elements of the political system, especially in the structure of the National Front.

The intent and aim of the Czechoslovak Federation is a socialist solution of the constitutional relations of the Czech and Slovak peoples. The Czechoslovak Federation is based on the principle of nationality. It was created on the basis of mutual agreement between Czech and Slovak national political representatives, which was discussed in the National Assembly and approved by the Constitution Act setting up the Czechoslovak Federation.

The Constitution of the Czechoslovak Federation defines three kinds of competence, namely:

(a) Executive federal competence in specified areas and questions;

(b) Common competence, so defined that part of it, specified in detail, is conferred on federal authorities, whilst the rest of the responsibilities within the fields so specified, belongs to the authorities of the republics;<sup>1/</sup> and

(c) Exclusive competence of the republics in areas not included under (a) and (b).

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<sup>1/</sup> The term republic is applied to the two national components, Czech and Slovak.

The economy of the Czechoslovak Socialist Republic is an integrated synthesis of two national economies, Czech and Slovak. It allows them to promote their economic strength, and in this way to satisfy more completely the needs of both republics. The design of the federal system must be derived from the development of economic democracy in a socialist economy with a controlled market. The controlled socialist market economy is based upon the legal and business independence of enterprises as participants in the market. The integration of enterprises and organized groups of enterprises follows the logic of the market, which is based on economic calculation.

The economic policy of the Government at the level of the republic and federal authorities is based on an economic reform, whereby the Government controls the business sphere.

Legislative acts, in the field of political economy such as the Middle-term Plan Act, the Finance Act, the Federal Finance Act, the Monetary Act, tax laws, laws concerned with economic tools and so on, define the basic questions of the operation of the integrated economy of the Czechoslovak Federative Socialist Republic and of the development of the economic systems of both republics. Czech and Slovak deputies vote separately in the enactment of such legislation, so that the representatives of one republic cannot outvote the representatives of the other. This has been described as "the principle of prohibiting majority rule".

The federal structure of the State; the requirements of rational organization of administration; the need for a modification of the position of national committees <sup>2/</sup> in communities, towns, districts, and other territorial units; the democratization of administration and the intensification of the concept of self-government in local government, all demand a re-examination and new evaluation of the whole question of the territorial division of the State, and of the position and content of activities of every government unit in the levels mentioned above. The development of this whole concept will require a period of two to three years.

### The Federal Assembly

The highest government authority and the only legislative body in the Czechoslovak Socialist Republic is the Federal Assembly.

The Federal Assembly consists of two houses: the House of the People and the House of Nations. Both houses have equal rights.

The House of the People has 200 deputies, directly elected from the whole territory of the Czechoslovak Socialist Republic for a term of four years.

The House of Nations represents the equality of both republics, in terms of constitutional law.

The House of Nations has 150 deputies, 75 directly elected from the Czech Socialist Republic and 75 directly elected from the Slovak Socialist Republic.

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<sup>2/</sup> The term "national committee" is used in this chapter as the translation of the Czech phrase: národní výbor.

The competence of the Federal Assembly includes:

- (a) The establishment of the Constitution of the Czechoslovak Socialist Republic;
- (b) The passing of constitutional and other laws of the Federal Assembly and the verification of their implementation;
- (c) The discussions of fundamental problems of foreign policy;
- (d) The discussions of fundamental problems of internal policy;
- (e) The approval of the middle-term economic plan and of the federal budget, the verification of their implementation and the approval of the balance of accounts of the Federation;
- (f) The election of the President of the Czechoslovak Socialist Republic and the discussion of his reports;
- (g) The discussion of declarations of policy by the Government and control of its activities, as well as of the activities of its members, and the discussion of votes of confidence in the Government;
- (h) The election and recall of the members of the Constitutional Court of the Czechoslovak Socialist Republic;
- (i) The establishment of federal ministries and federal committees under constitutional law, and creation of other units of federal administration by legislation;
- (j) The institution of a supervising organ of the Federal Assembly by legislation.

#### The federal government

The federal government is the highest executive organ of State authority in the Czechoslovak federal State; it executes this authority within the limits of the Federation's competence.

The federal government consists of a President, Deputy Presidents, Ministers and State Secretaries.

The division of function within the Government is based on the general principle of proportional democratic representation of both parts of the federation, both as regards the number of ministers and importance of departments; as well as on the claims of equality and equal rights of both republics. To this end the appointment of State Secretaries 1/ in federal ministries followed the rule that if the Minister was a citizen of one republic, the State Secretary was a citizen of the other.

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1/ The function of State Secretaries has since been abolished.



In some agencies dealing with matters of federal competence, there are federal committees with power of decision in matters, enumerated in the Constitutional Act of the Czechoslovak Socialist Republic. A Minister is chairman of every federal committee. If the Minister does not agree with a decision of his committee, in matters within the competence of a federal committee, he has the right to submit the matter for decision by the federal government. In other matters, the Minister takes the decision. If the representatives of one of the republics unanimously disagree with the Minister's decision, they may ask the federal government to review the matter.

Ministries and federal committees are established by federal constitutional law; other federal authorities are created in fields of exclusive or common competence, but in these committees the representatives of one republic cannot outvote those of the other.

In the personnel of all federal ministries, services and units, proportional representation of staff from both parts of the federation is desirable.

The following matters are within the exclusive competence of the federal government of the Czechoslovak Socialist Republic:

(a) Foreign policy; the conclusion of international agreements; representation of the Czechoslovak Socialist Republic in international relations; and decisions of questions of war and peace;

(b) National defence;

(c) Federal material reserve provisions;

(d) Federal legislation and administration, within the competence of the Federation and supervision of the activities of federal authorities; and

(e) Protection of the federal Constitution.

The common competence of the Czechoslovak Socialist Republic and of both republics includes:

(a) Planning;

(b) Finance;

(c) The issue of currency;

(d) Price matters;

(e) Foreign economic relations;

(f) Industry;

(g) Agriculture and food;

(h) Transport;

(i) Ports and telecommunications;

- (j) Development of science and technology;
- (k) Labour, wages and social policies;
- (l) Socio-economic information;
- (m) Legal arrangement of socialist enterprises;
- (n) Standardization, weights and measures;
- (o) Industrial rights;
- (p) Internal order and the security of the State; and
- (q) Matters concerning Press and other information media.

Matters, which are not expressly entrusted to the competence of the Czechoslovak Socialist Republic, belong to the exclusive competence of the Czech Socialist Republic, and the Slovak Socialist Republic.

#### Organs of the republics

The organs of the two republics constitute the system of highest State authorities in the Czech Socialist Republic and in the Slovak Socialist Republic, as member States of the Czechoslovak Socialist Republic.

The organs of the republics are:

- (a) The Czech National Council;
- (b) The Slovak National Council;
- (c) The Government of the Czech Socialist Republic;
- (d) The Government of the Slovak Socialist Republic;
- (e) The High Court of the Czech Socialist Republic and the Procurator General of the Czech Socialist Republic; and
- (f) The High Court of the Slovak Socialist Republic and the Procurator General of the Slovak Socialist Republic.

#### The Czech and Slovak National Councils

The National Council is the highest representative body of each republic and its only legislative organ.

The competence of the National Council includes principally:

- (a) The approval of constitutional and other laws of the republic and the safeguarding of their implementation by the organs of the republic;

(b) The approval of any international convention, which necessitates a law of the National Council, for its implementation;

(c) The approval of the middle-term economic plan and budget of the republic; the verification of their fulfilment and the balancing of the accounts of the republic;

(d) the discussion of basic questions of internal policy;

(e) The election and recall of the President of the National Council and other members of the Presidium of the National Council;

(f) The discussion of declarations of policy of the Government of the republic and the supervision of its activities, as well as of the activities of its members; the discussion of any vote of confidence in the Government;

(g) The establishment by law of ministries and other central organs of the administration of the republic;

(h) The election and recall of the members of the Constitutional Court of the republic; and

(i) The creation by law of a supervisory organ of the National Council.

#### The Government of the Czech and Slovak Socialist Republics

The Government is the highest executive organ of State authority in the Czech and Slovak Socialist Republics.

The Government is responsible for the fulfilment of its function, from the point of view of constitutional policy, to the Czech and Slovak National Councils.

The Government includes a President, Deputy Presidents and Ministers. It is competent to deal with:

(a) All matters belonging to the legislative competence of the National Council;

(b) All matters belonging to the executive organs of the republic, according to the federal Constitution and to federal laws dealing with matters of common competence; and

(c) All matters which, in the detailed enumeration of responsibilities, are not entrusted by federal legislation to the competence of the federal Government.

The Government controls and supervises national committees in the two republics.

The Government and executive organs, Ministries, and other services of the two republics are created by law by their respective National Councils. In matters of exclusive competence of the republics, as for example in matters of justice, education, culture and information, public health, agriculture and food, forestry

and water economy and public works, the organs of the republics can, in order to ensure common procedures, organize common permanent or temporary co-ordinating units (committees) composed on the principle of parity, with the necessary small supporting staffs, but without any direct administrative authority. The structure, content, activities, tasks and responsibilities of these co-ordinating organs are determined by their statutes.

The organization of government institutions in the Czechoslovak Socialist Republic is based on the principle that four types of institutions will operate in the system of State management, especially in the economic sphere, as follows:

(a) Administrative authorities with functional, summary, and co-ordinating activities in economic planning, finance, labour, wages and so on;

(b) Administrative authorities with specific activities and relations in the economic and budgetary sphere, industry, trade, agriculture, food, public health and so on, and units subordinate to them;

(c) Specific interest groups in production, business and other economic organizations; and

(d) Interest groups of the working people, principally the trade unions.

#### Relationship between the national committees and the Governments of the Republics

The Government has no territorial services of its own. National committees as organs of government authority and administration, are an extension of the authority of the Government in controlling local affairs and carrying out administration.

The Government controls and supervises the activities of national committees, and creates conditions convenient for their work.

The Government primarily:

(a) Organizes the preparation of the State plan and the budget of the republic, in terms of the work of the national committees;

(b) Decides questions of principle concerning the carrying out of administration within the scope of the responsibilities of the national committee; and

(c) Resolves conflicting questions which may arise during the development and realization of national policy, between regional national committees and ministries (or other central agencies of administration), or between one regional national committee and another; and

(d) Supervises the fulfilment of their tasks by national committees and evaluates the results of their work.

The Government reports to the National Assembly on the activities of national committees; on the current situation in their fulfilment of their tasks within the scope of their responsibility; and on measures taken by the Government in the supervision of national committees.



According to the Constitution, the Government controls and supervises the activities of national committees, as well as those of Ministries and other central agencies of administration. The principles on which this authority is exercised are based on joint action, in terms of both territorial scope and subject-matter, in the management of the national economy and in the administration. A resolution of the thirteenth Congress of the Communist Party of Czechoslovakia requires the Government to aim primarily at controlling and helping national committees to solve key problems and to promote their functions, in relations to economic organization and to culture and education; to provide for the co-ordination of various specific interests according to the conditions in different towns; and to foster the independence and initiative of national committees, in the way best suited to the further development of the society.

In accordance with these principles, the Government first of all fixes the orientation and tasks of national committees in economic and financial policy and organizes the preparation of the State plan and the budget within the field of these committees. It discusses long-term prospective economic development, which includes the prospective economic activities of the national committees, as well as the prospective economic and cultural development of the various regions. It fixes the directives for preparing the five-year plan, and for the solution of regional and inter-regional relationships; discusses the draft of the five-year plan, the draft of the prospective five-year budget; the draft of the annual operational plan, the State budget and other accounts and determines long-term economic tools of management.

The Government directs the attention of national committees to urgent tasks of national policy.

#### The Constitutional Court of the Czechoslovak Socialist Republic

The Constitutional Court of the Czechoslovak Socialist Republic is the judicial organ protecting the Constitution.

The members of the Court act independently in taking decisions and do so only on the basis of the Constitution and of legislation, passed by the Federal Assembly.

The Court decides:

(a) Whether the laws of the Federal Assembly and the legal provisions of its Presidium are in accordance with the Constitution;

(b) Whether the constitutional and other laws of the Czech National Council and Slovak National Council are in accordance with the Constitution of the Czechoslovak Socialist Republic; and

(c) Whether the regulations of the Government of the Czechoslovak Socialist Republic, and legal provisions of general scope, issued by federal ministries, federal committees and other federal administrative authorities, as well as the regulations of the Governments of the republics and legal provisions of general scope of Ministries and other central agencies of administration in the republics are in accordance with the Constitution of the Czechoslovak Socialist Republic, and with the laws of the Federal Assembly.

The Constitutional Court of the Czechoslovak Socialist Republic resolves questions of jurisdiction:

(a) Between organs of the Czechoslovak Socialist Republic and organs of one or both republics; and

(b) Between organs of both republics.

The administration of justice is implemented by the Ministry of Justice. Other organs of the administration of justice are the presidents of regional and district courts and local people's tribunals. Some acts of justice are administered by the appropriate local national committees and by the management of enterprises, in which a local people's tribunal has been established.

The system of courts is adapted to the territorial divisions which mainly imply the district and regional courts, the seats and circuits of which are identical with those of the respective districts and of the regional national committees.

The eligibility and revocability of judges has been established as a constitutional principle in the areas of the judicial system, where the judges are in close contact with citizens in the discharge of their functions. This particularly applies to the judges of local people's tribunals, and of district courts. The judges of the district and regional courts are elected for four years and the judges of local people's tribunals for two years.

Beside these judicial organs, other authorities participate in the implementation of socialist legality, namely: public security, which is under central management, State arbitration tribunals, central organs of people's supervision and the Procurator's Office.

The Procurator's Office is charged with the task of ensuring that laws and other legal provisions are duly observed and executed by Ministries and other administrative authorities, national committees, courts of justice, organizations, establishments and citizens, without regard to local differences and local influences.

Nevertheless, the Procurator's Office has no power of administration over the units which it supervises. It cannot intervene, can give no binding instructions and has no right to change or cancel unlawful acts.

In the existing system, there are consequently two areas of relationship between government units. Government judicial authorities direct acts of judicial administration, some of them being implemented by national committees; and, within the scope of the whole administration, the organs of justice supervise the implementation of socialist legality.

#### Structure of local government units

In communities and towns there are local and municipal national committees; in districts there are district national committees; and in regions, regional national committees.

The three-level structure of national committees is based on article 91 of the Constitution. It expressly cites both kinds of national committees at the lowest level, namely, local national committees and municipal national committees.

The division of national committees into local, municipal, district, and regional committees is based on the principle that the territory of the whole country is divided into regions, the regions into districts; and the territories of districts include the territories of single communities (towns).

Even from the point of view of the territorial division of the State, however, some large towns have a special position. The territories of Prague, the capital, and of Bratislava, capital of Slovakia, comprise independent territorial units, at the level of regional national committees, and in 1969 special legislation was passed, giving special status to three other large towns: Brno, Plzen and Ostrava.

With the consent of citizens, one local national committee can be established for several communities. This must be proposed by the local national committee and authorized by the district national committee.

The National Committees Act defines the position and function of national committees from different points of view. Generally they may be described as representative bodies of the population of communities, districts and regions, that is, representative organs, the members of which are elected directly by the public, thus representing popular interests on the national committee. These committees are organs of the socialist State as they are a part of the national mechanism of administration. As organs of socialist State authority and administration they execute functions, which might otherwise belong to executive administrative units.

There also exists a kind of personal union between a representative body and its executive units, mainly expressed by the membership of individual members in both the council and commissions of national committees.

The execution of functions of a national committee is entrusted to the council of the national committee, which decides upon the convocation of the national committee to sessions and organizes the preparatory work for such sessions. The chairman of the national committee represents the committee in its relation with the public; conducts its plenary sessions and, together with the secretary, signs its decisions. The deputy chairman or another member of the council delegated by it, substitutes for the chairman, if necessary. The number of deputy chairmen is not fixed, but at least one must be appointed. The secretary directs the preparation of the plan of activities of the national committee. Within this category of organization should also be included consultative bodies, working commissions and other units, which can be established by a national committee, in order to study more thoroughly the needs and interests of the public and to obtain data for the solution of questions, requiring all-round attention. These units have only an auxiliary role and therefore they cannot take decisions. Amongst the working organs of the national committees must also be included the commission on elections, which is charged with presenting to the council proposals for the verification of the election of its members.

There are yet other commissions, administrative commissions and sections of national committees. In so far as the national committee charges a civic committee, that is a committee formed by citizens with the fulfilment of some of its tasks, this committee must be considered an executive organ, with responsibilities concerning only a certain part of the community. It is impossible to confer on a civic committee authority to make decisions in matters of administration; its competence is limited to decisions concerning the rights and duties of citizens and organizations in administrative proceedings.

There is further category of organs of supervision. They differ from executive authorities, mainly because they have no authority to make decisions, their principal task being to gather data for purposes of supervision.



## II. RELATIONS BETWEEN CENTRAL AND LOCAL GOVERNMENT

The development of administration within the territory of the present Czechoslovak Socialist Republic has passed through several different stages of evolution. It has developed in the course of a whole century, with changes in its size and content as well as in the organizational structure of the units of public administration. The development of its administration reflects the evolution of the political situation; it was therefore a product of the national and class struggles within the territory of the former Austro-Hungarian Empire, and in the Czechoslovak Republic, after 1918.

In the Czech provinces, the national movement mainly began to develop vigorously, and to grow in integrity after 1848. This great revolutionary movement developed tendencies, which caused a gradual decentralization of the administration.

In the period from 1849 to 1867, the policy of absolutism, associated with the name of the Minister of the Interior, Alexander Bach, predominated. The Emperor enforced a constitution, which strengthened centralist tendencies and the power of the monarchy.

After the fall of Alexander Bach, further changes took place in the administration. The organization of both the political structure and of the judiciary was modified. A system of provisional governments was set up, each province became a political unit of administration, with a governor in charge. Subordinate to each province were districts, each with a so-called Hauptmann in charge, and municipal authorities of towns with independent states equivalent to that of districts. The regional authorities established by Bach were abolished.

After the disintegration of the Austro-Hungarian Empire, at the beginning of the First Republic, administration was at first operated on the basis of legislation inherited from Austria-Hungary. Partial changes in the organisation and work of the administration took place only after the approval of the Temporary Constitution and of the Constitution of 1920. The legal dualism which arose after the liberation, owing to the different development of Slovakia, which had been associated with the legal system of Hungary, led to the establishment of a ministry for the unification of legislation and of administrative organization.

A new modification of the administration took place in 1927. A provincial system was introduced with provincial presidents. The Provincial Office, with the President in charge of it, became the executive organ of self-government in the province, and at the same time, the local organ of the central administration. A characteristic feature of the system was the strong influence of the central administration, operating mainly through the provincial President and the Hauptmann. At a lower level of State administration and self-government were District Offices, with Hauptmänner in charge. During this period, however, modifications took place in some sections of the administration, mainly in the fields of social welfare and of taxation policy, as well as modifications of the activities of the gendarmery, the army and the police. It was a system of openly rigid, bureaucratic, centralist administration, which brought the representative bodies of local self-government into complete dependence on the central bureaucracy.

During the so-called Protectorate, the Nazi occupation, apart from certain functions taken over directly by German Reich authorities, the bureaucratic administrative organization remained formally unchanged as the Autonomous Protectorate Administration, but in practice, the administration was made to conform to the aims of the German Reich. However, the so-called Protectorate administration was directly subordinate to the German administrative authorities, the Reichsprotektor and the Oberlandrat, who arbitrarily interfered with the Protectorate administration. They had the express legal authority to undertake all administrative measures of a general or specific character within the territory of the Protectorate.

The concept of national committees as local units of governmental authority and administration, to become the basis of national administration after the liberation, was accepted by the resistance movement, organized abroad.

During the years 1946 to 1948, there was a tendency to strengthen the competence of national committees. Their new structural emphasis was aimed at bringing even the highest level of national committees into closer touch with the people. These tendencies culminated with the approval of the Constitution of 9 May 1948 which legalized the principles of the new situation, as well as the competence and activities of the national committees and of the whole of the national administration. There were also changes in central government and the regional system was established.

#### The role of local government units

The main task of national committees is the satisfaction of the citizens' needs, especially by promoting the construction of towns and communities, healthy living conditions, the improvement of housing standards, the development of various public services, the advancement of cultural and social life, care for the education of youth, the creation of suitable conditions for the development of physical training, the harmonious development of local areas, the optimum use of natural, economic and social conditions, and the assurance of public order and the protection of the interests of the citizen.

In accordance with special regulations, national committees carry out administration, principally within the following fields:

- (a) The creation and protection of conditions conducive to a healthy way of life and work;
- (b) Territorial planning and building regulations;
- (c) Manpower;
- (d) Conservation of nature;
- (e) Exploitation of mineral resources;
- (f) Agriculture;
- (g) Forestry and water economy;

- (h) Power;
- (i) Administration of housing and the use of non-residential premises;
- (j) Finance, administration and protection of national property;
- (k) Supplies, business and tourism;
- (l) Services;
- (m) Transport;
- (n) Road planning and construction;
- (o) Education and care for children;
- (p) Culture and information;
- (q) Preservation of cultural monuments;
- (r) Health services;
- (s) Social security;
- (t) Defence;
- (u) Maintenance of public order;
- (v) Fire protection; and
- (w) General internal administration.

National committees also administer:

- (a) Crèches, nursery schools and other educational establishments, primary, middle and high schools and organizations supporting them;
- (b) Cultural establishments, cultural and educational organizations;
- (c) Health establishments; and
- (d) Social security establishments.

In the creation and abolition of organizations and establishments and in matters concerning their competent management, national committees follow the provisions and directions of central government, which are generally binding, as well as those of national committees at higher levels.

In order to fulfil their tasks, national committees can establish and control organizations or institutions providing for:

- (a) Public utilities, including water supply and public lighting;
- (b) Administration of buildings;

- (c) Local building;
- (d) Local transport services and public passenger and freight automobile transport;
- (e) Road administration;
- (f) Repair work and personal services;
- (g) Accommodation services, community feeding, recreation and tourism;
- (h) Local production;
- (i) Solid fuel supply;
- (j) Businesses associated with local services and production;
- (k) Design and investment works, engineering activities, other specialized facilities and services for the population; and
- (l) Collection of waste raw material.

National committees administer the different spheres of the national economy with an extremely varied organization. It is therefore necessary to view the relationship between these fields of activity from different points of view. No universal instrument of management can be found at one and the same time to promote operation and effectiveness in the business sphere; to regulate prices and financial sources; to promote innovative initiatives; to ensure rational and economic expenditure in budgetary organizations in the sphere of wages, investments and operations; and to create throughout these activities an atmosphere of general planning and financial discipline leading to the fulfilment of national, as well as of local, tasks.

These varied and, in structure, considerably different requirements can be met, of course, only by a deeply structuralized system of economic and administrative tools, brought together in a dynamic model. It is impossible to avoid either conflict of interests or negative elements in the internal mechanics of such a system, especially as economic and administrative relationships can deteriorate through selfish interests or through low standards of work on the part of the various directing groups.

The development of the economics of local government units in the Czechoslovak setting is influenced by a carefully selected administrative mechanism, indirect measures of control and various other regulating factors, but first and foremost by the decisions of the central government in dividing centralized resources between separate territorial units.

In the economic operations of national committees, the law emphasizes the principle of promoting their competence to take decisions by limiting obligatory tasks to the minimum extent necessary, and by reducing the number of precautionary and limiting regulations. This does not mean any reduction in the influence of the central State plan in both branch and complex planning by the Ministry of Planning, but it lays emphasis on concentration on the main tasks of planning and on the main directions of development.



An important factor of economic stability arises from budgetary receipts. National committees acquire such revenue from their own financial sources as well as from contributions granted by central government. The principles of long-term regulation are already applied in their own sources of income, in order to foster their interest in increasing the volume of their existing incomes and in discovering further financial sources. On the other hand, financial relations have sometimes to be adapted to the different conditions of the various national committees.

Besides the deficiencies suggested above, such as for instance unequal sharing of central financing in the receipts of different national committees, lack of dynamism created by insufficient subsidies, and their subjective deformations, the correct selection of objectives is of the utmost importance. The priorities must be assessed at the centre and the fiscal contributions varied accordingly. This is especially true of investments, where the relationship between central and local administration includes special subsidies, granted for covering the cost of construction and equipment of different establishments. From the point of view of priorities, relatively few schemes can be regarded as of unquestionably sufficient importance for the whole of the society, to be fully financed by central resources. Even in this field, there can be no finality of judgement as there are no absolute criteria for estimating the relative merits of local matters and those of wider scope, especially when development problems are involved. It is very difficult to determine from the centre what kinds of capital construction should be considered to be national priorities, especially when their financing has to be assessed over a long period. Such programmes interfere with the regularity of long-term financial relationships, as they are non-recurring and specialized in character. Before the construction is finished, the cost of implementation may have to be transferred from one year to another, according to the progress achieved.

The majority of investment programmes, however, have not this exclusive nation-wide character. It may, therefore, be advisable to allow local units at each single level to participate in the realization of programmes through their own financial resources, and to borrow for this purpose, if necessary, if they have not the necessary means available at the development stage. So far, credit has not yet played an important role in the resources of local government. The problem arises of defining the share of participation of national committees at the various levels, especially in long-term plans. The scale of preference can change not only in each year of development, but also according to the level of equipment in separate territorial units. According to recent proposals, all investments exceeding 1.5 million Czechoslovak crowns are to be financed by means of subsidies. In the budgets of the communities these investments will be included in general grants. An examination of the structure of investments will bring to light other complications in this respect.

It is evident that, in the search for a proper system of financial regulators it is impossible to avoid a more deeply diversified system, in order to strengthen the possibility of a rational and effective expenditure of resources and to concentrate the available financial resources from all branches of the national economy on the construction of important public utilities, especially in fields which guarantee a somewhat long period of social development. It is necessary to prevent a dispersion of resources for unimportant programmes and to prevent them from being allocated to communities which, as development proceeds, will be absorbed by the social and economic development of national political and economic centres. Under a rational concentration of resources for attractive and necessary capital

construction, a larger participation of central financial contributions and credit support may be expected, as well as contributions from enterprises and organizations which are not included in the organizational structure of national committees. For instance, economic organizations in a specific community or district, as well as those outside their areas, may be persuaded to participate from their resources in the construction of equipment which will allow them to locate some part of their production with advantage in these communities.

The problem of central, or vertical, financing and horizontal financial relations is equally delicate and complicated, especially within the areas of specialized, and of non-investment, financing, in such fields as co-operative housing, instruments of price policy, and supports or expenditures for budgeting projects of an administrative character.

At the higher levels of management, where the prevailing responsibility for capital construction is concentrated, complicated working relationships, as well as inadequate information, cause difficulties, so that it becomes impossible to prepare long-term plans to meet public needs. Lack of control over contractors, lack of elasticity in the co-ordination of works and other unexpected troubles substantially weaken confidence in the satisfactory development of long-range financial relations.

#### Economic independence and financial support of national committees

The National Committees Act of 1967 strengthens the independent economic position of these committees by determining the various sources of their income. The Act gives no express enumeration of these sources because their detailed determination will be subject to changes caused by development.

Today the local taxes include the agricultural tax, motor vehicle tax, 1/ house tax, personal income tax, income tax of co-operatives and other organizations, and purchase tax paid by enterprises controlled by national committees, co-operatives and other organizations. The local rates include various administrative fees, taxes on apartments, and in watering places taxes on spa treatment. The national committees, if they so decide, can levy also further excise duties, such as for instance, charges for the use of public open spaces, admission taxes, local residence taxes, and dog licences.

There is danger of an unjustified repartition of local revenue through inequality and unjust distribution of the local tax load which amounts to an infringement of the proper operation of economic regulations and fiscal standards, prescribed centrally. This could, to a large degree, cause a set-back to the evolution of production activities and services in the course of economic development. It could even cause the transfer of productive activities from areas overloaded by tax burdens, to areas with more advantageous tax standards. Centrally established standards, and prescribed deviations from the general tax system will therefore always be necessary; to be achieved by determining the methods of local taxes, by limiting tax rates, and by establishing tax zones.

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1/ The motor vehicle tax will not be part of the income in the budget of the national committees; it will go to the newly established highway fund in 1971.

One of the most essential sources of income, from the point of view of dynamic economic development, is revenue derived from the tax payments of economic organizations, belonging to the organizational structure of national committees. The development of these enterprises is regulated by the national committees responsible for them, who decide upon regulating factors, which are mainly grants and payments. Irresponsible intervention by national committees may very heavily encroach upon the development of progressive enterprises; stifle their initiative; retard their advance, and reduce them to the level of backward enterprises.

This financial relationship will be changed in 1970 through proposed tax reform.

The creation of a convenient economic system, which works effectively, is a challenging theoretical and administrative problem. It is evident that the establishment of such financial machinery requires a detailed analysis of an enormous number of data, which will often be hindered by inaccurate information concerning the creation and development of the income of economic enterprises, and by the disproportionate budgetary requirements of some national committees. The qualification of this relationship is difficult since it has to be reciprocally balanced, largely because the volume of potential resources in the form of payments from income, is considerably different from requirements. The consequence is a very unequal distribution of the budget deficits of national committees, which are covered from the central budget. Some national committees secure budget surpluses.

At the same time, there is no solution to the high rate of budget deficits of the majority of community and district national committees, which depend on large grants from the centre. It will be necessary, for future development, not only to create a quantitatively adequate connexion between local government and enterprises, but also to choose a sufficiently stable, and at the same time dynamic, source of finance. The forms of financial relationship based on payment from the profit and from the gross income cannot therefore be considered definitive. 2/ The structure of financial relations depends, of course, primarily on the arrangement of tasks, supported by the budget; that is, on the division of labour between central government and each level of local government; on the elimination of some deficiencies in the conception and realization of administrative tasks; and on the solution of some further problems indicated in the following sections.

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2/ This payment was abolished in the year 1969. For the year 1971 a land tax has been proposed from areas in economical use.



### III. PROBLEMS OF LOCAL GOVERNMENT

In the development of the administrative relationship between central and local government during the years after the Second World War, a number of difficulties arose, which limited the role of national committees in development activities and gave rise to disturbing problems.

Tendencies toward centralization made themselves strongly felt. Gradually, in fact though not in principle, self-government showed signs of weakening and came to be regarded as decentralized national administration, independently carried out by local communities, though within legal limitations. The concept of self-government merely as the participation of the public in the execution of administration prevailed. The budgets of national committees were included as an integral part of the State budget.

The vertical relations, subordinating communities to national committees at higher levels, and their subordination in turn to units of central administration, were over-emphasized. This was done without any elucidation of the content and limitation of this subordination and without finding a satisfactory solution to problems of central management.

No satisfactory solution was found either to the question of territorial division for the performance of administration, between communities, districts and regions. In the year 1969, there were still in the Czechoslovak Socialist Republic more than 10,000 communities with 14,300,000 inhabitants. Towards the end of 1966, in Bohemia and Moravia there were 7,058 local, and 360 municipal, national committees.

Furthermore, no satisfactory solution was found to the problems of association or fusion of communities, nor to those of the internal administration of larger communities. Where fusion of communities had taken place, it frequently had serious deficiencies.

In 1920 in Bohemia, Moravia and Silesia there were altogether 149 political districts, eight political sub-offices and eleven statutory boroughs. In 1945, within the same area there were 155 administrative districts, seven district sub-offices and seven statutory boroughs. With the modifications made in 1949, there were 180 districts in the Czech area of the country; there are now seventy-four districts.

Even the strong tendency to uniformity had unfavourable effects. The special statutes of large towns were cancelled without respect for the particular characteristics of different kinds of communities. No criterion had been established to differentiate between towns and country communities, so that, according to the arrangements then existing, a community in which a municipal national committee was operating was considered to be a town, without taking into account the rural or urban nature of the community.

The functions of national committees had not been adequately made clear. It was declared that national committees were responsible essentially for all administrative functions in the communities, districts and regions. They were in fact made responsible for the performance of the administration in many fields,



formerly under the responsibility of special units, such as the inland revenue office, 1/ education, chambers of commerce and trade. Yet no decentralization of material and financial means was associated with this decentralization of competence; and this inevitably caused serious difficulties.

Other important functions, conferred after 1945 on national committees were withdrawn from them later on. Nevertheless, this centralization had the result that administrative functions became of great importance for the national committees especially at the higher levels, and their execution required uniform national standards. Functions designed to meet specific local needs and interests receded in importance, and so a further strong consolidation of vertical relationship came about.

There were also difficulties created by inadequate differentiation between public facilities, such as education, public health services, public street lighting and communications, and services of a business character.

Certain problems of the internal organization of national committees, such as the relationship between representative bodies and executive units had so far not found a satisfactory solution. In fact the representative bodies were given inadequate prestige.

The chairman of a national committee formally represents only his committee, but in reality this position gives him somewhat greater prestige and power.

The importance of professional specialists has been considerably underestimated. Nevertheless, in reality these professional staffs never lost their strong position in administration. Collegial bodies, composed of lay members were, and often still are, strongly influenced by their specialist advisers.

Disrespect for the principle of the legality of administration and preference for rationality, during the period of the so-called cult of personality, were a considerable hindrance to the successful development of effective relationship between national committees and the public.

The lack of firmness of both economic and legal sanctions, undermined the competence and organization of national committees, and had very serious consequences.

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1/ In 1970, revenue offices were established to deal with administrative work in connexion with State income and taxes.

#### IV. CENTRAL SERVICES TO LOCAL GOVERNMENT AND NECESSARY IMPROVEMENTS

The structure of government in the Czech and Slovak Socialist Republics is set out in table I. Some of those Ministries, and other central organs, whose functions relate them more closely to local government, necessarily intervene more frequently than others in the administration of local affairs and in the economic responsibilities of national committees.

The following central administrative agencies have similar standing to the central Ministries in both republics: the Statistical Office, the Office of Price Control, the Geodetical and Cartographical Office, the Geological Office, the Office of Mines, the Press and Information Office, and the Commission for Scientific Degrees.

These Ministries and other central administrative agencies control the operation of administration, within their fields of activity, subject to the framework of national legislation, by issuing general rules and regulations.

Within the sphere of activity of these Ministries and other central administrative agencies are operations which are controlled and administered by national committees. It is the responsibility of these central agencies:

- (a) To elaborate and develop policy in their particular field and to facilitate its application to the various conditions of individual regions;
- (b) To ensure that the budgetary and contributory agencies of national committees are functioning correctly in their particular fields;
- (c) To organize consulting services for national committees, as well as for their enterprises and establishments;
- (d) To ensure that there is uniform nation-wide performance in the specific activities of economic organization, through the national committees;
- (e) To regulate the rationalization of the machinery of control and administration; and
- (f) To organize the education of professional staffs.

The Ministry of the Interior is the organ of government responsible for the control of national committees. It defines in particular the basic principles underlying the activities of national committees, and submits proposals to the Government in this connexion. The Ministry also ensures the co-ordination of the activities of Ministries and other central administrative agencies in relation to the national committees.

Ministries and central administrative agencies, operating in fields of administration, which are controlled by central government:

- (a) Determine, in co-operation with regional national committees, the principles of development and proposals for long-term plans in their particular field;

Table I

STRUCTURE OF GOVERNMENT IN THE CZECH AND SLOVAK SOCIALIST REPUBLICS

Each Ministry is shown in the table in its relationship to the corresponding Ministry in the other republic. Those marked with an asterisk are more closely related to local government.

Czech Socialist Republic	Slovak Socialist Republic
Agriculture and Food	Agriculture and Food
*Building	*Building
*Construction and Technology	*Construction and Technology
*Culture	*Culture
*Education	*Education
*Finance	*Finance
*Forests and Water Supply	*Forests and Water Supply
*Health	*Health
Industry	Industry
*Interior	*Interior
Justice	Justice
*Labour and Social Affairs	*Labour and Social Affairs
*Planning	*Planning
*Posts and Telecommunications	*Transport, Posts and Telecommunications
*Transport	
*Trade and Commerce	*Trade and Commerce
Youth and Physical Culture	

- (b) Negotiate with them the programme of important investments and proposals for the establishment of industrial plants and workshops, as well as changes in the employment of the local population;
- (c) Guide centrally directed organizations into close co-operation with national committees, particularly district and municipal national committees, in such a way that they discuss with the national committees all proposals important for the development of their territory.

The activities of central agencies have been adapted to new conditions and to the objectives of the activities of national committees in order to ensure the independence and responsibility of these committees. Direct operational intervention of central agencies into the activities of national committees is therefore not permitted, and stress is laid on the development of mutual co-operation and close co-activity between central agencies and national committees, particularly in the solution of basic problems, as well as in the introduction of new techniques and in the application of technology.

Relations between central bodies and national committees are varied and their character depends on whether they are within the field of administration of the economic activities of national committees, or within that of the centrally directed economy. Relations in both these economic fields have one common factor: stress is laid on the solution of problems of national economic development and social relations, both basic and in perspective, within the socialist framework, and on the solution of such key problems as exceed the competence of national committees.

Agencies of central administration have to control the implementation of administration only by determining general principles. The only exception is in the field of administrative control, where the central functional agencies verify, with or without the process of appeal, decisions taken in the first instance by executive organs of regional national committees, that is, departments, administrative commissions and other executive organs. Central functional agencies are responsible for the maintenance of socialist legality in their fields of administration. They must carry out analyses to this end, and take any necessary steps to ensure the uniform application of the law. This they achieve by making use of the administrative experience of agencies of national committees, by issuing suitable directions manuals and other handbooks of instruction for national committees, as well as by organizing seminars and instructional courses.

Central functional agencies develop the basic concepts of development in each field of administration, in their collaboration with economic organizations controlled by national committees. They ensure the necessary uniform nation-wide performance in the professional activities of these organizations. They systematically contribute to their effective operation, and develop consultant services, particularly in the field of technical development; investments; planning within, or outside, public enterprises; fiscal control; accounting; prices, and wages. To ensure the effectiveness of assistance to national committees and to the enterprises, which they control, central functional agencies can conclude individual agreements with these committees, in terms of the specific character of the field of administration which is involved.



Central functional agencies are also responsible for the improvement of the professional level of managing personnel, through facilities in their own training establishments, as well as through a network of public enterprise training facilities. They co-operate also with the Ministry of Education in the organization, and the ideological and technical direction of the training of apprentices, as well as in the construction of schools for apprentices with a broader scope than that of the regions.

It is broadly true that the central functional agencies in the various fields of administration can exert a controlling influence over economic organizations of the national committees, by directions with common authority, if they are authorized by law and by systematic provisions covering their issue.

The central functional agencies are responsible on a nation-wide basis for balanced development in the fields of budgetary and contributory organizations, 1/ administered by national committees. They control the appropriate organizations from a professional viewpoint. They issue uniform organizational regulations for budgetary organizations and define the principles on which these regulations are based, as well as the basic principles of organization for contributory organizations. These principles are defined for a series of budgetary organizations on a wider scale of importance, which has to be established in selected fields with governmental consent. They define the professional methods to be followed in budgetary and contributory organizations, the basic plan and other provisions with nation-wide implication, the professional qualifications of the staff concerned, and in this way supervise the performance of their professional activity.

Central functional agencies elaborate the concept of development in their respective fields of operation, which serve as bases for the establishment of long-term perspectives, as well as of five-year and short-term plans, and follow the fulfilment of the work in their fields from the conceptual viewpoint of their development plans. They are responsible for the improvement of professional standards, and for further training of the staff of the agencies.

Central functional agencies co-operate closely with the appropriate organs of national committees in the fulfilment of their tasks, as well as with public enterprises and budgetary and contributory agencies. In co-operation with national committees, they convoke consultative sessions or working conferences of directors and managers of public enterprises and organizations for the exchange of experience. They organize instructional courses and seminars for managers of enterprises and organizations.

Besides these central functional agencies other central agencies, the Ministry of Planning and the Ministry of Finance, in particular, fulfil important tasks in relation to the national committees.

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1/ In Czechoslovakia, and countries with similarly organized economies, there are three types of organizations: (a) enterprises, which are operated on the principle of profit; (b) budget organizations, which provide services as a rule without payment; and (c) contributory organizations, which are budget organizations, with some features of enterprises.

The Ministry of the Interior has in effect a double function in its relations with national committees; as the central functional agency for local economy, the protection of public order, fire protection and general internal administration, and also as the governmental agency responsible for questions of management of national committees. In this second capacity, the Ministry ensures, in accordance with appropriate regulations, the management and control of activities of national committees, as well as the co-ordination of the activities of Ministries and other agencies in respect of these councils. In co-operation with these central agencies the Ministry develops proposals for the basic institutions of national committees, their operation and organization, the remuneration of their staff and the development of their professional qualifications.

In the performance of this function, the Ministry of the Interior has particular responsibility for the preparation for the Government of reports on the whole activity of national committees. It submits its own point of view in presenting proposals from regional national committees in matters concerning all national committees. It observes how the central functional agencies fulfil their tasks in relation to national committees. It draws the attention of the Government to deficiencies, and prepares the nation-wide conferences of national committees.

In the area of preparation, co-ordination and execution of regulations, the Ministry of the Interior supports the work of the Commission for the co-ordination of regulations in the field of administrative law, in an attempt to ensure the issue solely of indispensable and intelligible regulations for national committees. Moreover, the Ministry consolidates the application of general regulations dealing with national committees, the territorial division of the State, administrative control and agenda of transgressions, and controls their execution in practice.

The Ministry of the Interior fulfils all these tasks in close co-operation with regional and district national committees.

Within the area of the centrally directed economy, the central administration agencies prepare proposals for the localization and long-term development of production, with special reference to the maximum utilization of productive capacity, the concentration and specialization of production, the best use of investment, and adequate provision of labour, energy, transport and water. This is achieved on the basis of analyses of the natural and economic conditions of their areas, prepared by regional national committees, ultimately approved by central functional agencies. In the preparation of five-year plans, the central functional agencies define in positive terms the basic factor in the development of basic figures of production and technical and research resources, as well as in the organization of production, and they develop alternative solutions for the realization of the proposed long-term development plans in their respective fields. They also discuss proposals for development activities with the appropriate national committees.

## V. PERSONNEL MANAGEMENT AND TRAINING

From time to time the chairmen of the national committee at the highest level, the regional national committees are invited to meetings of the Government. They may take the same initiatives as other members of the Government, so that this is a form of co-operation.

The relationship between national committees and their professional staff is the same as the relationship between Ministries and their staffs. The relationship between the employees and the national committees is based on the general working code. Matters of social welfare are governed by general legal regulations; wage regulations for national committees are also issued as part of these general legal regulations.

The Ministry of Finance achieves the necessary central co-ordination through the State budget. Formerly this was also done by means of systematic regulations, which have since been cancelled.

All organs of national committees are elective, and central authorities have no direct influence on this election. The employees of national committees, their administrative staff, are recruited by the organs of the committees, without any influence on the part of central authorities.

A new concept of personnel policy is being prepared by the State administration.

The education and training of administrative staff, as well as their selection, is based on the concept of a decentralized relationship between this administrative staff and their employers. The improvement of individual professional qualifications is left to the discretion of the employee, who does this after entry into the services by study of various kinds at professional schools and even at universities, or by participation in post-graduate studies. When such study is in the interest of the employer, as it is in practically every case, the employee receives a series of concessions, such as free time for studies, wage increase after the appropriate qualification has been attained, or other rewards. In a number of professional fields, however, the inducement is limited by fixed levels of remuneration.

The Ministry of the Interior also arranges centrally for the training of employees of national committees through its professional institute.

Some central functional agencies arrange special courses for the employees of national committees.

It will be necessary to adapt this training to the new concept of the position of public servants, which has already been decided upon.

It has been decided in principle that only employees with the prescribed standard of education will be appointed to the appropriate function. The principal motive for professional study by employees will be strengthened by the need to complete the education prescribed for their particular function. At the same time a uniform system of training of all public servants will be prescribed, with the intention of encouraging them to improve their qualifications to qualify increases in both rank and pay.

This training cannot, of course, be arranged within the general school system, but by special training institutions. A special training centre at the Institute of Public Administration in Prague is also being established to serve the training of top-level public servants.



## VI. FINANCIAL ADMINISTRATION

The existing system of financial administration in Czechoslovakia is being reformed. This is necessary because the position of public enterprises is also undergoing reform.

Changes in the position of public enterprises, on the basis of a complete economic reform, will include also the reorganization of the tax system, beginning with the year 1970.

The existing financial tools do not satisfy the requirements of a planned and regulated market mechanism. The system of financial obligations and payments of the public enterprises includes factors which may be interpreted as criteria. These payments are not determined by the existing profits of the enterprises, but by various specific indices, such as for example, the value of basic funds, approximate income, and increases in the number of workers.

Such a system is not suitable for the State budget, because the profit is divided between the enterprise and the State budget in ratio of four to one. It is also necessary to maintain an extensive system of grants and subsidies, which are in fact vertical redistributions of funds. Some difficulty also arises, when the differential turnover tax, based on the difference between the wholesale and retail price is changed into the rate of the uniform turnover tax. This would lead to the unification of rates.

A system of taxation on profits has been selected as the basis of financial relations between public enterprises and the central budget. In addition, the following tax provisions are to be introduced:

- (a) Basic capital tax;
- (b) Wages tax on the gross wages paid by the enterprise;
- (c) Social security payments; and
- (d) Amortization from basic assets.

The reforms also involve public enterprises administered by local agencies, even if the load of taxation is reduced in cases, where these public enterprises accomplish unattractive and unprofitable, but important and indispensable social functions for the public.

The reform of the administration, and the general application of self-government most substantially change the financial relations between the central and local agencies and the organization of financial administration.

As shown by the National Committee Budget for the year 1967, the existing relations are characterized by a high proportion of central financing. This is shown in table II. The structure of the vertical relations between the various levels of government will not be changed in principle in the years to come.

Table II

## NATIONAL COMMITTEE BUDGET FOR THE YEAR 1967

	Actual revenue, without reserves, grants, subsidies, loans and credits (1)	Aggregate expendi- tures (2)	Deficit, mostly covered by grants and subsidies <sup>a/</sup> (3)	Wage fund (4)	Investment expenditures of budgetary organizations, fully subsi- dized by cen- tral budget (5)	Total of columns (4) and (5)
Regional national committees	3,863	15,910	-12,047	2,176	6,715	8,891
District national committees	7,421	16,893	- 9,472	6,732	934	7,666
Municipal national committees	4,342	6,860	- 2,518	988	1,138	2,126
Local national committees	1,217	2,005	- 788	245	250	495
Totals	16,843 <sup>a/</sup>	41,668	-24,825	10,141	9,037	19,178

<sup>a/</sup> The proportion of credit loans is very small. The extraordinary budgetary sources of regional and district national committees are more important items. The proportion of actual revenue to total expenditures amounts approximately to 40 per cent.

The proportion of expenditures in the budget of national committees for the year 1968 represents about one third of all the expenditures in the State budget. The proportion of central appropriations in the National Committee Budget, which amount to 29,600,000,000 Czechoslovak crowns out of aggregate expenditures of 47,400,000,000 Czechoslovak crowns is more than three fifths, 62 per cent.

The budgets of national committees therefore show a small proportion of financial independence from the point of view of their own revenues.

A particularly large deficit in the budgets of national committees is apparent in the extent of investment requirements in the budgets of regional national committees, and in the large proportion of the wage fund in the total amount of deficits.

The figures in the budgets of national committees for the years 1966 and 1967 indicate that the proportion of the aggregate deficit was distributed as shown in table III.

Table III

PERCENTAGE OF DEFICITS IN THE BUDGETS OF NATIONAL COMMITTEES

Year	Regional national committees	District national committees	Municipal national committees	Local national committees	Total deficit
1966	46%	44%	10%	-	100%
1967	50%	39%	9%	2%	100%

The revenues of national committees were distributed in the following proportions in the year 1967:

	Per cent
Taxes and charges	37
Payments of economic organizations	36
Receipts from the activity of budgetary organizations	15
Premium and social security contributions	6
Others	6
Total	100

The budget figures showed the following proportion of self-supporting communities and those receiving grants in the year 1967:

	Towns	Non-municipal communities	Total
Self-supporting communities	131	1,364	1,485
Communities receiving grants	337	8,442	8,779
Total	468	9,806	10,274

The large number of communities receiving grants has not been reduced by the newly introduced proportion of payments from the gross income of public enterprises managed by their agencies.

New ways are therefore being sought first of all to strengthen the actual financial base of local and municipal national committees and to support it by horizontal territorial financial relationships, which may lead eventually to financially economic self-government.

At the same time, in introducing financial reforms, it is necessary to consider how to fit local taxes into the framework of the new taxation of enterprises. In doing so it is necessary to keep fully in mind experience of the previous proportions of tax on gross income, namely, 1 per cent, derived by local and municipal national committees from this source of income. This was quite inadequate.

It appears from existing considerations that the most suitable form of taxation will be on the capital (as calculated by the production factors), the labour, wages and the area for the activities of the enterprise.

There are, however, also other ways in which to introduce financial relationships between the national committees and public enterprises. For example, the proportion of contributions to local national committees in the tax yield of the production funds of the public enterprises could be varied, or the proportion in the wage increase tax, or in the wages tax. The assessment of the possibilities of utilizing these sources of revenue will depend on considerations of the administrative burden of these tax operations, and further of the question whether these new financial tools will support the development of social and economic relations between the general economy, the economy of the towns, and the needs of the people living in them.

Besides the revenue thus indicated, according to proposed arrangements, the municipal and local national committees should in future also collect the receipts from their contributory organizations, in addition to the house tax, the fees on apartments, the fees levied by authorities, the local charges of an optional character, the income tax, and the individual small undertaking tax.

In connexion with the revenue of municipal and local national committees raised by direct taxation, it is necessary to arrive at a solution of the question, whether the municipal and local national committees should be entitled to fix the



surtaxes, and eventually to impose new taxes and charges, for example, a tax increase on personal property, or additional local consumption taxes.

In the choice of new forms of revenue, it is important from the point of view of strengthening the self-governing functions of national committees that their real and attainable rates of taxation do not exceed an amount that can be met without social detriment to the needs of towns and communities, and the necessity for using revenue in the form of contributions to budget at a higher level. It is necessary to allow for the fact that it is expedient to achieve a sound relationship between the revenues and expenditures of the local units. This enables agencies at a higher level to have adequate opportunity for the execution of an economic policy by means of grants and subsidies, thus equalizing the development of the richer and poorer communities.

A substantial part of these problems is therefore connected with the growth of financial independence. Among the sources taken into account, in the make-up of the revenue to meet the self-governing needs of smaller communities, the agricultural tax is at present decisive by its total volume. Moreover, this tax operates practically throughout the whole territory of the State, and it can ensure a certain degree of self-sufficiency in most of the rural communities.

The experience in the former system of budget regulation suggests that the practical applicability of some existing forms of revenue of higher level budgets, particularly the turnover tax, to an increase of financial self-sufficiency of communities and towns, is rather unreal. The main reason is the fact that it is not constant in amount.

A more suitable tax seems to be the wages tax, even if the central agencies are interested in this source, primarily as revenue in the central budget.

Financial administration will naturally be changed both from the institutional point of view and in the structure of the relationship between central and local organs.

First of all the extent of redistribution made centrally should be narrowed. The subsidy and grant policy of the centre towards the local organs will be based on the trends of long-term plans, prepared on a national scale by the Ministry of Planning, and on the realization of the financial policy of the State, as proposed by the Ministry of Finance.

Direct vertical financial relationship between ministries and district national committees and those of some large towns will be initiated after the disappearance of regional national committees, 1/ which will increase the number of subsidized, or grant-aided, units. Subsidies and grants should primarily serve to achieve a higher standard of effectiveness in the business sector under the influence of national committees. It should improve the standard of the infrastructure, and level differences between one area and another.

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1/ Regional national committees were abolished in Slovakia on 1 July 1969.

Together with the disappearance of regional national committees, the removal of tax departments of financial administration from national committees, is being considered. This function has hitherto been performed by State revenue agencies in regional and district national committees in a position of double subordination, both to the committees and to the Ministry of Finance. It is proposed that they should become subordinate only to the Ministry of Finance and an intermediate link in the financing of grants and subsidies. 2/

This, of course, presupposes that the extent of grants and subsidies will be reduced and that the local organs will be adequately provided for, from their own financial sources.

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2/ See section III above.

## VII. TECHNICAL AND ADMINISTRATIVE SERVICES

These services are carried out within the framework of the administrative relations described in previous parts of this chapter.

The appropriate functional Ministries and specialized central organs, as well as professional, scientific and research institutions afford assistance and advice either gratuitously, by reason of their function, or in return for payment. This derives mostly from the fact that these professional institutions have not a position in the structure equal to that of central administration agencies. They are primarily responsible for the realization of planned tasks.

Similar procedures exist in the relationship between regional, district, municipal and local national committees. Technical and administrative assistance is needed first of all by communities.

### VIII. RESEARCH ON LOCAL GOVERNMENT PROBLEMS

Research in this field is primarily dealt with by the Institute of Public Administration, founded in the year 1967, and attached to the Office of the Prime Minister. Its fields of activity include applied research, aimed at the investigation of relations between central and local organs, as well as at the structure of federal, national and local organs. This Institute also seeks solutions to the problems of rationalization of administration, and questions of self-government.

The basic research in the field of public administration is undertaken by the Institute of State and Law at the Czechoslovak Academy of Sciences, by scientific institutes at universities and by other research institutions, such as the Faculty of Law, the School of Economics, and the School of Political Science.

Solutions to problems of local government are also sought by some regional institutes in national committees, for example, in the Ostrava Municipal National Committee or by the committees themselves through their specialized departments.



## IX. CONCLUSION

Within the past twenty years, the Czechoslovak administration has seen extreme vicissitudes. Historically, a deep-rooted tradition of self-government is implicit in the administration, as well as in the instincts of the people. Idealist concepts of a possible perfection of the administration in such a way that a power structure, and a material and economic framework, based on centralizing principles would give strength to the machinery of government, did not create a successful relationship between the central administration and local government. Centralist tendencies also asserted themselves in the sphere of administrative decisions.

Twenty years' experience shows that any State, even a socialist State, cannot carry out a profound reconstruction of its administration precipitately without adverse consequences, unless it takes into account its historical continuity, and individual factors. A strong, but immature, centralization would cause disequilibrium in social relations and would restrict the influence of democratic forces. It would make the execution of administration more bureaucratic and cumbersome, and would, in fact, result in an unsuccessful attempt at rationalization.

The tendencies toward centralization, rationalization and integration are a quite natural trend in modern social relations. Nevertheless, the development of the administration of the Czechoslovak State, which has advanced industrial standards, may serve as a model for others, anxious to skip the necessary intermediate stages of development in the modernization of their State, without the creation of definite and effective conditions for success.

Any attempt to characterize the present state of administration in Czechoslovakia, with particular reference to the relationship between central and local government, leads to the conclusion that as a result of ill-considered reorganization, centralization, concentration, and then decentralization and deconcentration, an unbalanced administrative system has been created within the past twenty years. At the same time socialist principles of democratic centralism were not maintained, since they were conceived as a rigid administrative centralism, unlike what was being done in the other socialist countries. This has produced the defects outlined in the following paragraphs.

The operation of a uniform administrative system was strongly centralized, and this implied not only the central agencies but also the regional national committees, the third level in the system of local government.

In consequence these high-level agencies had to issue very detailed decisions and regulations for the operation of administration, and these very detailed prescriptions were not well adapted to the different regional and individual local conditions. The high-level agencies could not even control the execution of their prescriptions; and where the local situation changed, they could not react in time to intervene effectively to adapt their prescriptions.

Moreover, as authors and originators of similar rules, the central agencies were held responsible even for insufficiencies of unquestionably local importance, as well as for minor difficulties in life in the localities.

On the other hand, the situation made it impossible for local organs to solve their own problems, by their own abilities, knowledge and resources.

This system was, however, very convenient for the less qualified members of local agencies, because it enabled them to follow these minute regulations in detail, and in cases of failure to impute responsibility for the bad results to the central agencies.

In this way, the system of direct administrative control diverted the central agencies from their principal task to determine the trends of development of the whole State and to ensure the achievement of long-term fixed basic goals.

A number of studies were made in an endeavour to remove the insufficiencies in the administration of the country. These studies, and the proposals arising from them, were based on the following assumptions and conditions.

The operation of a uniform system of administration, in its relationship to the public, should be so organized that particularly the municipal and local national committees, which have most dealings with the public, should be endowed with the authority, necessary to enable them to satisfy and to meet the requirements of the public within their own competence, and without the need to refer to a national committee at a higher level.

The functional and organizational structure of the administrative agencies should be so arranged that the quality and effectiveness of their activities would be ensured.

The national committees, as organs of State authority and administration, should be maintained and constant efforts made to strengthen their mission.

Administration and self-government in a socialist society should not be mutually separated. They should form a harmonious mechanism, aimed at the fulfilment of objectives, for the benefit of the whole society.

It is evident that there is an urgent need of far more concrete and differentiated methods of management of public affairs in each area of competence.

The basic links of the system of national committees, together with the activities of better qualified administrative staff, will necessarily require qualified, professional sources of consultation and advice, particularly on questions of long-term perspectives of the development of communities, their construction projects and other facilities, the development of their services, their commerce, schools, cultural and social facilities, and problems associated with small-scale industry (service facilities).

National committees must also reconsider problems, associated with the definition, and methods of operations, of controls, as well as the need for better order in the conduct of administrative affairs.

When the close administrative approach to the public is being accentuated, responsibility for its execution will be transferred first of all to local and municipal national committees, especially those of the towns and selected central communities. This transfer of authority can be made in three ways.

The first is a form of legal transfer of competence in the field of State administration to local and municipal national committees.

The second is the creation of so-called joint national committees, so designed that the municipal or local national committees in central communities would be entrusted with such competence and execution in the field of State administration, as can be transferred to them by the district or regional national committees. The proposed joint national committee would exercise this transferred competence for all communities within its territory.

The third takes the form of joint agencies, common departments of municipal and local national committees, which would represent specialized agencies for communities situated within the territory of the central community.

The first of these methods of change is based on the fact that the existing system of national committees in the Czech Socialist Republic will be changed. It presupposes the cancellation of regional national committees and a gradual transition to a two-tier administration, that is, to district national committees, and municipal and local national committees. 1/ A similar reconstruction to a two-tier system was made in Slovakia in the second half of the year 1969.

District national committees would be controlled directly from the centre. Relations between the district national committees and the municipal and local national committees will be maintained in the form existing at present.

A problem remains, however, which so far has proved insoluble, the transfer of the uniform operation of State administration to small communities, because in Czechoslovakia these communities are considerably dispersed. Their number exceeds 10,000. The transfer of administration to these small communities, of which 80 per cent have less than 1,000 inhabitants, would be very irrational and expensive, to say nothing of the fact that so many small communities cannot be equipped with adequate and qualified administrative staff.

The transfer of the uniform operation of State administration makes necessary an attempt to integrate communities.

It must be admitted that even with central direction and control, it has not been possible to carry out this integration successfully on a voluntary basis.

Enforced integration, the fusion of communities in such a way that only one becomes the centre of State power and administration, can be very troublesome politically. Where there is traditional territorial self-government, it is also very harmful, because it infringes on the special social and economic environment, the cultural individuality, local patriotic pride, initiative and other positive qualities of the small territorial units.

On the other hand, this extensive dispersal of infrastructure cannot be allowed to extend itself, because it means an unproductive and uneconomic division of national income, particularly in capital construction.

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1/ The Czech Government has decided not to change the structure of national committees, but only to narrow the competence of the regional national committees in areas in which the lower levels can perform administrative tasks better, more cheaply and with full responsibility.



For these reasons the proposals which have found more favourable acceptance in the preparation of administrative reforms of Czechoslovakia are those which locate the operation of State administration in the larger towns and in centres of considerable concentration of population, that is, in the so-called joint national committees, in planned fashion, in conformity with geographical and urban studies and with a rational distribution of organs of administration, as well as with regard for the adequate economic potential of the territorial units.

Joint national committees would be created for certain groups of communities, and the transfer of a hitherto considerably centralized administrative operation would then be carried out by two ways:

- (a) By transferring the administrative operation, hitherto performed by district national committees in the first instance, to local and municipal national committees, which would delegate its execution to the joint national committees; or
- (b) By transferring the administrative operation hitherto performed by district national committees in the first instance, directly to joint national committees, by mandatory legal provisions of a general character.

This arrangement maintains the legal status of all existing local and municipal national committees. Even this solution has its shortcomings, since it infringes the uniform administrative pattern. It is based on the assumption that the district national committees and other participants, the local and municipal national committees, will reach agreement on the extent of the administrative authority delegated to the joint national committees. It can, of course, also achieve positive results, because such a rearrangement respects local conditions.

There is also the possibility of concentrating the execution of administration in so-called joint offices, <sup>2/</sup> which represent a bureaucratic administrative link, executing the administrative activities, entrusted to them by the appropriate local and municipal national committees.

Administrative activities undertaken by these joint organs should primarily have a highly specialized character, dealing, for example, with territorial planning, surveyors' offices, legal bureaux, water supply, air pollution, social security, internal administration, or the construction of territorial complexes.

Investigation into the relationship between central administrative agencies and local organs, that is, national committees, and the consideration of favourable and unfavourable experiences in the previous administrative development in Czechoslovakia, indicate that it is necessary to take into account the following factors and conditions:

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<sup>2/</sup> Joint offices are not organs of public authority and administration, and therefore are not in the position of independent national committees, but they are common executive departments of the appropriate local national committees.



- (a) The directive system of a strongly centralized administration, which was to be reformed, reflected the system of management of social relations;
- (b) Similar centralist principles were also applied in the field of production and in the infrastructure;
- (c) The decentralization of the operation of administration to organs at lower levels makes it necessary to strengthen the democratic principles of administration, and to enable the public to take a broader participation in the management of public affairs. This decentralization will result in the maximum participation in the operation of administration by the public. This cannot, of course, be regarded as a transfer of authority of any kind, but as the location of authority at the lowest level in a system of local organs. Decentralization, limited to the higher levels of this system, for example, to the regional national committees, does not offer a satisfactory solution to the democratization of administration, even if the elected representatives of the people also share in the process. It is necessary to ensure the direct influence of the public, and this can best be done at the community level.

On principle, the higher level administrative units should occupy themselves only in specialized activities and basic tasks in the development of the larger territorial complexes.

An objective judgement suggests that an excessive tendency to centralization, even if it is motivated by an effort to organize administration rationally, has definite limitations, within which it is necessary to respect local needs and special requirements.

Any form of administration can be performed within the conditions of directive management, but even this must correspond to the political, economic and social conditions, to the level of knowledge, and to the mentality of the public.

The situation in Czechoslovakia is now appropriate for a certain return to the principles of democratic centralism.

For these reasons the administration must be regarded as integrated within principles of socialist self-government.

The excessive centralization of administration and the directive system of management had a profound influence in various fields of social relations, which to a certain extent had to be developed autonomously.

The reconstruction of the administration tends therefore to the renovation of certain mechanisms, regulators and instruments of a long-term character, which should make more effective the influence of central and local administrative agencies, in the most important spheres of national development.

The precondition of reform lies primarily in a development of the elements and features of territorial self-government. These assumptions, together with the democratization and rationalization of administration, create a situation in which

the central administrative agencies should elaborate the basic concept of national development, through the initiative of individual functional agencies and departments, and enforce the achievement of the predetermined targets and tasks fixed by long-term development plans. The achievement of this concept would be guaranteed primarily by economic methods, and administrative intervention would be done under fixed rules. Administrative intervention would occur quite exceptionally, and only if the consent of an authorized representative body is forthcoming.

The communities would function in the proposed system primarily as organs of self-government, which protect local interests, maintain an aesthetic and healthy standard of living environment and support the development of the economic infrastructure of the community. They also intervene, when the activities of autonomous enterprises menace local interests.

District national committees, within a two-tier system, would perform the functions of the uniform State administration with certain self-governing features.

The distribution between central and local organs of competence to undertake the various tasks and functions within the administration, has also to be extended to other self-governing spheres, including for example, the autonomous sphere of co-operative organizations and special-interest organizations, and the sphere of self-government, established in the field of budgetary organizations. The extension of such competence to departments responsible for institutionalized funds, such as social security, the health service, or the construction of transport communications, has also to be considered in this connexion. There are further proposals for a broader application of self-government in education and cultural activities, but these proposals are not acceptable without some reservations.

The extension of spheres of self-government has been particularly criticized for the reasons that these might disorganize the planned relations of the central government, limit the possibility of its intervention and its operational activities within the field of the centralized budget.

On the other hand, the extension of spheres of self-government could positively limit the forms of management directly administered from the centre. This limits the possibility of a directive redistribution of financial resources and makes possible an increase in the immediate influence of the interested public in the activities of self-governing organizations.

The distribution of authority and the organization of vertical and horizontal relationships of management between central and local organs is not related only to administrative, legal and economic measures. Experience in the development of administration in Czechoslovakia, has demonstrated that the realization of principles of self-government in local and municipal national committees cannot be achieved without a sufficient economic potential, that is to say, unless the communities have adequate financial means of their own.

For this reason it is proposed that communities should receive adequate financial means to execute their own territorial financial policy, in conformity with their increased participation in the creation and preparation of territorial plans. Horizontal financial and economic relations have to be established in this

area. In addition to these local financial means, which are relatively low in proportion in relation to budgetary tasks, and from the territorial point of view very unequal.

Those financial means are decisive in enabling communities to take part in the capital construction of the infrastructure within their territorial area. Specifically determined means, to serve the direct financing of delegated functions of the uniform State administration, seem to be less attractive for the development of local initiative. They only pass through the community budget, and their specific determination is fully fixed in advance. The community then has merely the function of distribution.

This is particularly true in organization, subordinated to local organs, where the central government distributes the means to the functional agencies, and the national committees pass them over to the appropriate functional organization, such as education, health and so on.

Further experience in Czechoslovakia, which was the result of an unsuitable distribution of tasks within their authority and financial resources between central and local organs should be very interesting for non-socialist States.

The liquidation of debts and the centralization of self-governing financial resources, carried out after the year 1949, was intended to ensure a better distribution of resources among the territorial units, to be achieved in such a way that differences in the level of available equipment and social consumption would disappear. Even the high proportion of central financing could not successfully remove these inequalities. The resources were dispersed among small units.

Experience suggests that objective standards for the distribution of budgetary requirements cannot be determined, even with the assistance of mathematical and statistical staff, because of the imperceptible local influences in so large a number of communities.

The application of self-government in communities, as experience shows, must therefore begin with the economic potential of these communities. It must be left to their discretion, how they will utilize this potential, which includes a fixed proportion from taxes and other financial resources, derived from the creation of incomes produced by organizations within the territory of the community.

Only this system of horizontal financing, prepared as described above, can be utilized with a central policy of grants and subsidies to level sharp territorial differences and to support regions for prospective concentration of population.

The further progress of development in Czechoslovakia will depend on the consolidation of political and economic life, the reform of economic management, a rational distribution of competence, tasks, and means between federal and republic organs of administration and national committees, and on the application of principles of democratic centralism, in which self-government will be developed as an inseparable part of the whole system of socialist State administration.



## HUNGARY

Dr. József Halász\*

### I. BACKGROUND INFORMATION

#### Structure of government

The Hungarian People's Republic is a unitary state; there are no political units in its territory, vested with separate and distinct constitutional authority. Rights emanating from the sovereignty of the people are implemented within the unitary system of the national administration. Accordingly there is a single Constitution, adopted in 1949 by the supreme representative body of the country, the Parliament. The law of nationality is also of a unitary character.

The area of the country is 93,011 square kilometres, the population exceeds ten million. The territorial units of government are defined in the Constitution. The territory of the whole state is divided administratively into counties, districts, towns, and parishes. The area of the counties is smaller than the average medium-level administrative units in other countries. Counties are divided into districts. According to their situation in the system of administrative and territorial divisions, there are two recognizable types of towns. The first, Budapest, Debrecen, Miskolc, Pécs and Szeged, are exempted from the territorial jurisdiction of counties and subject directly to the Presidium of the People's Republic and so are county boroughs. 1/ The second kind of towns are those subject to the jurisdiction of the counties. With the exception of the five county boroughs the other towns have the status of district authorities. Budapest and the other county boroughs are sub-divided into metropolitan boroughs. Budapest is divided into twenty-two metropolitan boroughs and the other county boroughs into three metropolitan boroughs each.

Parishes constitute district areas. Provincial settlements of less than five hundred inhabitants and with small areas, bordering on each other, are united in parishes of common councils and constitute parish circuits.

The number of administrative units in the Hungarian People's Republic, on 1 January 1969, was as follows:

(a) 19 counties;

(b) 112 districts;

(c) 71 towns: 5 county boroughs and 66 with district authority; and

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1/ To avoid the longer phrase towns with county authority, the English term county borough is used as an approximate equivalent. The English term metropolitan borough is also used later in this paragraph.



- (d) 2,463 parishes: 2,054 of these parishes being distinct administrative units, and 409 being parish circuits, composed of 1,110 small parishes.

At present a great deal of preparatory work is being done to achieve the optimum system of parishes by amalgamating small parishes within parish circuits. The long-term plans for the shaping of the parish system indicate that up to 1975 provincial settlements will be composed of 1,200 parishes as distinct administrative units and 700 as parish circuits. Parish circuits are becoming basic units of major importance in the territorial and administrative organization of the future.

The political organization of the Hungarian People's Republic is composed of the following basic organs of state:

Representative organs: Parliament

Parliament is the supreme representative body. Members of Parliament are elected by the people by secret ballot on the basis of universal, equal, direct suffrage. Parliament has a single chamber because there are no constituent states of a federal character and no autonomous territories of nationalities, which would require the election of another chamber organized on nationality lines.

The character and activity of Parliament is defined in the Constitution as follows:

- (a) Parliament is the only fully authorized embodiment of the people's sovereignty and as such is vested with the undivided, united authority of the state; it is responsible at the highest level for the conduct of the entire activities of government;
- (b) Parliament alone is authorized to adopt Acts; it lays down the basic directions of foreign and domestic policy as well as the policy objectives to be attained; it exercises control over the implementation of Acts and Resolutions adopted by it; and
- (c) all organs of state function in subordination and under the direction of Parliament.

The Presidium of the People's Republic

The Presidium is a body of more limited membership, formed by Parliament from among its own members, in order to secure the uninterrupted conduct of governmental affairs. The Presidium is an organ of Parliament and exercises important functions belonging to Parliament, in the periods between sessions of the latter. It discharges its functions under the direction and control of Parliament; and it is required to report to Parliament on its activity at regular intervals.

In addition to its substituting authority, the Presidium has an extensive competence of its own. It discharges within this framework, the functions which are usually connected with heads of state. It also exercises control over the administrative machinery of the state. This includes both the Council of Ministers and the administrative machinery of government as a whole. The activities of the

Presidium connected with the local administrative units deserves special mention and is described in greater detail in the next paragraph. Apart from its powers of continuous supervision, it also has the authority to decide in issues relating to territorial areas; to discharge functions, connected with the formation, election, and eventual dissolution of local councils; and to exercise regular supervision over decrees and resolutions, adopted by local councils.

County, district, town and parish councils are the local representative organs of state authority. The local exercise of state authority is based exclusively on local councils. These constitute parts of a unified representative system. They are the local organs of state authority as well as the representative organs of the people.

These characteristics of the councils are expressed in the following way.

There are councils in all administrative territorial units; and there are no other representative organs of state authority, except the councils in the administrative territorial units.

The hierarchic relationship of local councils and their executive committees corresponds to territorial and administrative divisions. Council organs of units at a lower level are subject to those of territorial units at a higher level, and in the last instance to Parliament, and to the Presidium.

Local council organs at a higher level represent and assert the interest of the state as a whole and accordingly they transmit instructions of organs of central government and exercise supervision over their implementation. They also assert common local interests within territorial units at a higher level.

After the establishment of the system of local councils, the former dual character of the territorial organization of local and central government came to an end. Local councils discharge the functions of the former local government organs and territorial administrative organs of central government within the framework of a single organization.

#### State administrative organs

The supreme organ of state administration is the Council of Ministers, or Government, elected by Parliament. In its entire activities the Council of Ministers is subject to the authority of Parliament and, in the periods between parliamentary sessions, to the Presidium of the People's Republic. This is manifest in the following ways:

- (a) The Council of Ministers is elected and may at any time be recalled by Parliament.
- (b) The Council of Ministers is required to report on its work to Parliament at regular intervals.
- (c) Members of Parliament have the right to put questions to the Council of Ministers.
- (d) The acts of the Council of Ministers must not be at variance with those of the supreme organs of state authority, Parliament and the Presidium.

The principal fields of activity of the Council of Ministers are defined in the Constitution along the following lines:

- (a) The Council of Ministers directs the activities of the ministries and other organs directly subordinate to it.
- (b) It secures the implementation of Acts of Parliament and legal decrees, adopted by the Presidium.
- (c) It works toward the implementation of the national economic plans.
- (d) It attends to all matters defined by statute as within its authority.

The extensive scope of authority of the Council of Ministers is best characterized by the constitutional provision whereby the Council of Ministers is authorized to take over and act in any matter which falls within the administrative authority of the state. This feature is characteristic only of the authority of the Council of Ministers over all administrative organs of the state.

The basic provisions regarding the formation and composition of the Council of Ministers are contained in the Constitution. In accordance with these provisions, the Council of Ministers consists of the president, first deputy presidents, deputy presidents, one or more ministers of state, ministers in charge of ministries, the president of the National Planning Office and the Secretaries of State in charge of major state administrative organs of national authority.

The number of first deputy presidents and deputy presidents of the Council of Ministers is always determined by decisions of Parliament or of the Presidium, which give expression to political and governmental considerations.

The Economic Committee of the Government plays a particularly important role in the continuous oversight of the Government's economic control, in the related tasks of planning and budget-making, as well as in co-ordinating and implementing measures of economic policy. The Committee functions within the structure of governmental leadership. Its secretariat and office machinery constitute part of the Office of the Government. The Committee consists exclusively of members of the Council of Ministers.

The Economic Committee is a committee of the Council of Ministers; its duty is to carry out the continuous co-ordination and conduct of economic supervision, which is within the competence of the Council of Ministers. On the most important economic and political issues, it is of course the Council of Ministers itself, which takes action as a body. The Economic Committee usually holds preliminary discussions on issues of this kind and in such instances, it acts as the preparatory, co-ordinating committee of the Council of Ministers. The Council of Ministers exercises as a body the right of introducing Bills in Parliament; it prepares legislation for the national economic plan and the draft budget. It is specifically laid down in the Constitution that this authority belongs exclusively to the Council of Ministers and not to its members or to its committees.



The principal functional organs of the state administration are the ministries, which are subordinate to the Council of Ministers. Under the Constitution the establishment, amalgamation and termination of ministries come within the authority of the Parliament. Although it has not the title of a ministry, the National Planning Office has, under constitutional provisions, a status identical with that of the ministries.

Other organs of national authority, which are not organized on the pattern of ministries, are included within the category of central administrative organs.

Among these organs of national authority the following agencies should principally be mentioned: the National Committee of Technological Development, the National Office of Supply and Prices, the Central People's Control Committee, the Central Office of Statistics, the Central Office of Water Conservancy, and the Hungarian National Bank.

The heads of these offices and institutions have the rank of State Secretaries. The scope of their authority and functions is defined by the Government. The agencies under their direction are authorized to issue decrees, which are binding upon government agencies, enterprises and other economic organs, over which they have been entrusted with authority by the Government.

The members of the Council of Ministers in charge of the various administrative functional agencies are responsible for the work of the entire administrative function under their control. They are thus responsible in particular for the activity of specialized administrative agencies of the local council organization. However, the direction and control of the specialized administrative activity of the councils is not directly conducted by them but through the executive committees of the local councils. Therefore the subordination of local administrative agencies to the councils specifically raises the scope of authority and duties of ministers in charge of the various functional administrative agencies.

The activities of ministers, which affect local government, are basically identical in all the functional agencies concerned. Ministries which carry a functional direction, discharge their duties in accordance with the rules of economic planning, budgetary provisions, and other regulations relating to financial management and employment. In addition, the Ministers of Public Health and Culture exercise their specific functional supervisory authority within their competence of professional guidance by laying down rules for organization and operation, as well as by controlling the implementation of the educational, adult educational, public health and social institutions, supported by local councils.

The local organs of the general authority of state administration are the executive committees of the councils. The executive committees occupy a specific place within the territorial administrative system. These committees, as administrative organs of general authority and elected by the local representative organs, are subject to their respective councils. On the other hand they are responsible for the local implementation of acts adopted by executive committees at higher levels, up to the level of the Council of Ministers.



Local administrative organs function, as a rule, within the framework of local councils, as sections, directorates or sub-sections. They are agencies of distinct authority, acting as such, subordinate to their appropriate executive committees, to which they are responsible for the functioning of their particular field of specialized administrative activity.

A smaller group of specialized administrative organs, functioning in the territorial units, is directly subordinate to the ministries or other national organs. In certain fields of their activity they are, however, also subject, and increasingly so, to the general supervisory role and specific co-ordinating function of the appropriate local councils. 2/

### The judiciary

The basis of the judicial structure is defined in the Constitution. In accordance with the relative constitutional provisions, there are courts at three levels in the Hungarian People's Republic: the Supreme Court, County Courts and District Courts. The Constitution provides for legislation, which may establish other Tribunals, to be vested with jurisdiction in specified matters, such as the Military Tribunals, the jurisdiction of which also comes under the control of the Supreme Court.

Thus the judicial structure has three levels, corresponding to the structure of state authority and to the representative organs. The system of appeals allows for two instances: Appeals can be lodged from judgements and sentences of courts of first instance to one higher instance, excepting when the Supreme Court has acted in first instance.

### Procurators' Offices

As in most socialist constitutions Procurators' Offices are a distinct type of organ which act independently of any other government organ, except Parliament and the Presidium of the People's Republic. Procurators' Offices discharge the function of public prosecution and also of securing in the first instance the implementation of the rule of law in the activities of government, economic, social and co-operative organs and institutions.

The basic principles of the operation of the Procurators' Offices are laid down in the Constitution. Their organization and duties are provided for in another statute. Thus the Procurators' Offices must ensure that:

- (a) Acts of Government, and of social and economic organs and institutions, conform to the requirements of the rule of law;
- (b) Officials and members of the public do not infringe statutory provisions;
- (c) Crimes are investigated with despatch, to ensure their effective discovery through suitable action by investigating organs;

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2/ See Section III.

- (d) Statutes are correctly applied by courts; and
- (e) Statutes and regulations are observed in the enforcement of sentences.

Procurators' Offices have a centralized machinery to discharge these duties. The head of this organization is the Procurator-General, who is elected by Parliament for a term of six years. The organization of Procurators' Offices includes the Office of the Procurator-General, County, District and Town Procurators' Offices. Procurators act independently of other government or local administrative organs. In particular the Procurators' Offices exercise supervision over the observance of the rule of law in the activities of the organs already mentioned. 3/

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3/ See Section IX.

## II RELATIONS BETWEEN CENTRAL AND LOCAL GOVERNMENT

Amongst the various aspects of the structure and activity of local councils, the relations between central and local government are probably the most important. The solution to problems of the organization and legal regulation of these relations are of major significance, both as regards the effective implementation of central governmental direction in the territorial units and the local representative organs of the people, and as regards the extent of the autonomy and scope of authority of the local administrative machinery.

Over the past two decades, since the adoption of the Constitution of 1949, relations between central and local government have been the subject of several constitutional amendments, legislative acts, and Government Decrees. This is mainly due to changes in the content and methods of central government direction, as well as in the meaning and value of the administrative independence of the local councils, in keeping with the socio-economic, socialist transformation of the country. The problem of the relations between central and local organs of government took on a different nature and had different requirements in the nineteen-fifties when the network of local councils was being established throughout the country and their consolidation was of prime importance. At that time economic management was more centralized than in later periods, particularly from 1966 and 1967 when prominence was given to strengthening local council autonomy and to applying primarily economic methods in central economic management.

The basic concepts of the relations between central and local government are laid down in the Constitution of 1949 of the Hungarian People's Republic and the Councils Act of 1954. The relationship between central government organs and local councils, both as local representative bodies and as local administrative organs subject to the councils, is defined in the Constitution and the Councils Act with some differentiation. At the highest level supervision over local councils as elected representative bodies comes under the authority of the Presidium of the People's Republic; but at the same time direction and control over the councils' executive committees, which essentially means local administrative activity, is exercised at government level by the Council of Ministers.

The supreme supervisory function of the Presidium extends both to the organization and activity of local councils.

In matters of organization it is the Presidium which:

- (a) Adopts resolutions in respect of boundary changes affecting counties, county boroughs, districts, towns with district authority; decisions in regard to changes of parish boundaries being within the authority of the Presidium when the formation of a new local council or the discontinuance of an existing one is involved;
- (b) Exempts towns from county council authority and brings them under direct government control;
- (c) Fixes the dates of local council elections and has the right of final decision on particularly important matters affecting membership in local councils, particularly the recall and incompatibility of members;

- (d) Dissolve local councils, if their activity is held to be anti-constitutional or gravely jeopardizes the interests of the working people; and
- (e) Adopts resolutions on the establishment or discontinuance of parish councils;

The function of the Presidium in connexion with the activities of local councils is exercised in the following ways:

- (a) The Presidium reviews the activities of local councils and the resolutions adopted by these bodies, beginning at the county level. When reviewing local council resolutions the Presidium has the authority to annul or commute any resolution, or by-law, adopted by any local council should it contravene the Constitution or infringe the interests of the working people.
- (b) The Presidium issues directives on matters of principle as regards the activity and development of local councils.
- (c) By the analysis of information obtained from local councils at regular intervals (such as reports, accounts, statistical digests), the Presidium examines problems connected with the activities of local councils as representative bodies. If their operations fall short of requirements, the Presidium may, if need be, adopt resolutions which are binding on local councils.
- (d) As the standing and temporary committees of the councils have an important part to play in strengthening relations between local government and the electorate, the preparation of appropriate directives serving the organization and development of these committees occupies a major place in the work of the Presidium in regard to local councils.

The Presidium has in its office the assistance of a group charged with council affairs, for the conduct of its operations connected with local councils.

As explained above, the competence of the Council of Ministers in respect of their direction and control of executive committees of local councils is regulated in detail in the Constitution and the Councils Act of 1952. Under the relevant provisions, the Council of Ministers:

- (a) Requires executive committees of local councils to report to it;
- (b) Issues directives for the improvement of the working methods of executive committees of local councils;
- (c) Concerts the activities of ministries and other national authorities, relating to the specialized administrative agencies of local councils;
- (d) Decides in matters which are in dispute between ministers or heads of national authorities, and the executive committees of county councils;



(e) Keeps itself informed of the activities of executive committees of local council and their principal officers, since it has the authority to suspend certain senior officers of executive committees from their posts if it has satisfactory reasons for so doing or to draw the attention of the local council concerned to the need for such officers to be relieved of office, such disciplinary authority being within its authority by virtue of statutory provisions; and

(f) Supervises the extension training of local council executives.

As will be explained later, the Council of Ministers is assisted in discharging the above-mentioned functions more particularly the highest level of local council administration, by the Council Administration Department 1/ of the Council of Ministers, which is a separate organizational unit in the Government Secretariat. 2/

One of the principal problems of the Hungarian People's Republic, at present, is the implementation of the new system of economic management, which not only involves changes in the methods and means of central economic direction but also expands considerably the autonomous status of local government, economic and cultural organs and institutions.

Government measures taken to develop local administration not only envisage an extension of the authority of local councils and their autonomous status, but also involve making the local councils and their executive committees more capable of using their independence by directing and controlling local administrative activity in a more efficient way. It is easily understandable that it is necessary to adapt to the new requirements the relations between the specialized administrative agencies of the local councils and administrative agencies at higher levels, already described, in what is termed the system of dual subordination. 3/

Government Resolution No. 1023 of 1967 4/ governing the administrative agencies of local councils provides legal status for these organs broadly as follows:

It is prescribed in connexion with the relations between local councils and local specialized administrative agencies, that these agencies are the professional departments of the executive committees of the local councils and must act in accordance with instructions received from the latter. The executive committees of the local councils direct and control the work of the specialized administrative agencies under their control.

The central direction of the specialized administrative agencies of the local councils has now been altered so that central government organs, ministries or national authorities, enact decrees and instructions, aimed at standardization of practices, and in executing their direction, may communicate comprehensive instructions in matters of principle.

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1/ The literal translation of the Hungarian title is: Council Organs Department.

2/ See Section V.

3/ See Section I.

4/ See Section VIII.

The changes in the relations between central government organs and the administrative agencies of the local councils may be summarized broadly as follows:

Local administrative agencies constitute the entire administrative machinery of local councils; in other words they are integrated within the local council organization.

As a result of the provisions, under which ministries and other high level specialized administrative agencies may exercise their direction only within the limits of their statutory authority, there is in practice no possibility of their interference in the details of local administration. Previously local councils, capable of dealing with various problems, were hindered in their work and restricted in their initiatives, as a result of operational interference by high level organs, in matters which should have been conducted by the local administrative agencies.

As provided in the government resolution mentioned above, the specialized administrative agencies of ministries and high level councils do not exercise direction over local administrative activity in a direct way, but in co-operation with the executive committees of the appropriate councils. Ministries implement policy through the executive committees of the county councils and regulate the basic principles of the planning, finances and employment activities of the local councils. It naturally follows that the executive committees of the councils are responsible to the Government for implementing the policy of various departments in their respective areas and for executing the relevant statutes through their specialized administrative agencies.

### III. THE ROLE OF LOCAL GOVERNMENT IN SOCIAL AND ECONOMIC DEVELOPMENT

The part played by local councils in the social and economic life of the country is evident in the implementation of tasks, which are incumbent upon local administrative agencies, in urban and rural development, and in meeting the basic communal, cultural, public health and social needs of the population. The scope of operation of local councils cannot, however, be restricted merely to the conduct of affairs regarded strictly as of local interest. Since the activity of the local councils directly concerns all the territorial administrative units of the country and all ranges of the administration from parish to county, they discharge a particularly important function in the economic and social development of the country as a whole.

Central appropriations, granted by the government for purposes of urban and rural development, and for locally administered services have been showing an upward trend. Under the new system of economic management, government grants for these purposes are planned in connexion with the development funds of the local councils and they fulfil their purpose through the activities of the councils. <sup>1/</sup> In such instances, it is not simply the achievement of locally significant targets, which is important, although it is the population of a given territorial administrative unit, which is most affected in the achievement of the targets, but the discharge of a function of growing importance in the state is being successfully effected by the active co-operation of local councils.

The close interdependence between the objectives of central government organs and the tasks of local councils is particularly obvious in the interrelationships between national development plans and the development programmes of local councils. The main features of this relationship may be outlined as follows.

The part played at present by local councils in national development plans is determined in broad principle by the new economic management, introduced from 1 January 1968. This new system of economic management is characterized by the increased function allotted to economic methods of management and by an alteration in the responsibility for decision-making in the new system of management, between central government organs, local government organs and enterprises in socialist ownership. As far as the immediate question is concerned, this means that authority for certain decision-making is transferred by central government organs to territorial administrative units, whose independence is thereby increased.

The development plans of the local councils are principally related to national development plans in two directions, which may be characterized as follows:

First, the Government specifies certain obligatory tasks for county councils in the national economic plan, which serve to implement nationally important targets.

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<sup>1/</sup> See section VIII.

Secondly, local councils, relying on the material and financial resources at their disposal, draw up development programmes of their own, which include objectives that are within the development of institutions under their control. Certain projects, which affect the national development of several administrative departments and services, are included within the national development plan.

7. An example may perhaps illustrate the dual relationship between national development plans and local council programmes. The Government determines, within the framework of the national development plan, several of the principal targets of educational development. Among these may be, for example, the volume of school-building as required by the number of pupils. These targets are fixed for each county and the expenditure needed is allocated to the counties concerned. Within the limits of the allocation fixed by the Government, the counties are required to build no fewer schools than are envisaged in the development plan. At the same time the councils determine the number of elementary schools to be built, in keeping with requirements, during the period covered under the plan. These decisions, in turn, are consolidated and taken into account in the national development plan, as factors which have a significant bearing on the national expansion of education.

A major factor in the relationship between national development plans and development plans of local councils, as with the development schemes of several economic branches of government, is the fact that the material resources and technological conditions required to implement the development plans of the local councils are indicated in the national development plan.

When the relationship between the national and local council development plans is under discussion, it should be realized that the annual development plans were previously given first priority, because five-year plans contain development directives rather than actual figures. Under the new system of economic management it is the medium-term development plans which have emerged as the most important. Medium-term plans are based on perspectives for a long, ten to fifteen year, period, and at the same time allow the planners to elaborate concerted and unified targets and objectives on a five-year basis, which is a period of time relatively easy to foresee.

Within each five-year period, the operation of the annual plans provides a basis for the actual implementation of the next stage in the five-year development plan.

Moreover, in future, local plans will be drawn up for the over-all economic development of single counties or of economic regions. These plans are being prepared by the National Planning Office, in co-operation with the agencies concerned and will be discussed by the Government. Participation of the local councils affected by local planning, also takes place. Local councils, as the representative bodies and administrative organs of the area under their control, are responsible for the over-all economic development of their areas, and at the same time, as has been pointed out, their own development plans have a bearing upon most of the economic branches of government. In addition, local councils have the trained manpower and the organization needed to appraise planning targets, involving local expert knowledge.



The extensive part played by local councils in co-ordinating development projects within a single locality deserves special mention. This co-ordinating function serves to concert development projects run by various government, co-operative and social bodies and agencies, within the boundaries of a single locality, as well as to create common establishments, such as public utility works, repair and servicing shops, social and cultural institutions, within a wider sphere than was the case with investments planned and executed separately.

Concerting development projects, affecting single communities and undertaken by various organs and institutions, comes within the scope of authority of the appropriate executive committees of the local councils. The executive committees conduct their business by discussion with the representatives of the interested organs of government.

#### IV. PROBLEMS OF LOCAL GOVERNMENT

The problems of local government organization and authority and the expansion of their legal status have been involved in the major developments brought about in the past fifteen years, since the adoption of the Councils Act of 1954 in the economic, social and cultural life of the country.

As a result of the establishment of the socialist socio-economic system, the consolidation of co-operative farming in the whole country and the reform of economic management introduced in 1968, new conditions, were brought about which are favourable for the expansion of the organization and activity of local councils.

Under the new system of economic management, the interests of the various elements in the social structure of communities working in producing units are developed in a more diversified fashion and the role and activity of the local councils is also enhanced, without affecting the basic cohesive social interests. Greater emphasis is laid on specific local interests and development targets in town and country. This will lead to better communal, cultural, social and public health services for the public. The new system and the developments it promotes justify the enhancement of the representative role of local councils, the reinforcement of their material and financial resources and the expansion of the legal safeguards of their organization and autonomous operations.

Without attempting to give a complete list, the major issues now emerging in connexion with the development of local government organization may be outlined as follows:

Matters connected with the organization and scope of authority at the various levels of local councils have been regulated in uniform fashion by the Councils Act of 1954. Nowadays there is a demand that the organization and scope of authority of local councils, appropriate to the various council levels, should be regulated according to these levels, in order to define in a more detailed way the problems of the authority of local organs.

As regards the central ministerial direction of departments dealing with local government, the evolution of the independent operation and initiative of local councils was frequently hindered by trends towards centralization which were unnecessarily excessive. Statutes adopted in 1967 and 1968, intended to foster the autonomous status of local councils, laid down that ministers and other heads of national organs should discharge their activities primarily within the limits imposed by statute. Moreover, the executive committees of the local councils should be directly responsible for implementing administrative department policy in the activities of various local specialized administrative agencies.

In past years, owing to the increasingly varied patterns in administrative activity and local activity as a whole, the number of decentralized organs in administrative territorial units has been increasing. This fact and the expanding autonomy of various governmental economic organizations, and cultural and social institutions, situated in areas under council control but not subject to the latter, has made it necessary to widen the function of councils in order to co-ordinate these activities and the scope of authority related thereto, so as to foster the development of the various territorial units.

As a result of the completion of the local council administrative reorganization and of the tasks, which had been emerging in the past two decades in the social, economic and cultural fields, attention came to be focused on county and district councils. The need for promoting solutions to immediate tasks, taking into account the various possibilities and at the same time enhancing the participation of citizens in conducting the affairs of the community, resulted in a definite effort to develop and widen the scope of authority of councils and the administrative organization of the basic units, the parishes and towns.

Under the Councils Act of 1954 now in force, there is one type of parish. All parishes, between 100 and 20,000 inhabitants, are vested with identical scope of authority and operations. But the need has clearly arisen to differentiate between parishes and to introduce a new concept of the larger parish, in which the scope of authority and operation of the council is more akin to those of townships. It is also necessary for parishes in the neighbourhood of townships to be brought nearer to the organs of the town council in order to encourage urban agglomerations. In any case, this process of associating these units more closely with one another has become obvious in the fields of economic and cultural affairs, trading, public health, communications and transport.

Bringing the administrative organization in small parishes up to date creates a major problem of local government. Under the statute now in force, administration in small parishes may be simplified by the temporary suspension of the activities of the local council executive committee, where there is a population of less than 1,000, in which case the functions of the executive committees are taken over directly by the local council. It may be assumed in the longer perspective that small parishes will become parts of a circuit. In this context, another outstanding problem relates to the relationship between the headquarters of the circuit and the parishes belonging to it, which are the residential units within the boundaries of these new territorial administrative units. The question is whether this arrangement is necessary, and if so, what kind of local institutions and scope of authority should be allotted to the various localities within the circuit areas.

The organization and institutions for the professional and general training, as well as for the extension training, of local government employees were established at an earlier period and are effectively discharging their functions. Under a Government Resolution of 1968, the system of personnel administration was comprehensively regulated and at the same time the professional qualifications, required to fill posts in state administration, were defined. At present the regular, organized extension training of executives in the high-level units of local government, namely, counties, county boroughs and districts, represents a problem which has yet to be dealt with. The Council Academies are engaged primarily with training parish council executives, but at regular intervals they organize extension courses on a group of subjects of major importance for executives of high-level local government units. 1/

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1/ See section VIII.

Since the character, area, number of population, standard of communal and cultural services differs greatly in various localities, the achievement of the development tasks requires differentiation in government grants. In other words, it is desirable that a system of distribution of resources for expenditure governed by government and for government grants should be introduced, so as to guarantee that government resources and grants serve development projects which are beneficial and important for the whole county or district.

In order to deal efficiently with tasks incumbent on local government, some improvement is required in the present system of information concerning the activities of councils at various levels and of different character, and concerning the work of their specialized administrative agencies, a system of information to serve such purposes is indispensable both for the planning of administrative operations and for a well-founded analysis of actual problems of administration.



## V. CENTRAL SERVICES FOR THE IMPROVEMENT OF LOCAL GOVERNMENT

### Organization

As has already been pointed out 1/ the direction and control of local government at the highest level comes within the responsibilities of the Council of Ministers. In addition to the over-all directing role of the Council of Ministers, Ministries in charge of various administrative branches discharge specific functions in supervising and controlling the activities of the specialized administrative branches within the local council organization.

The Council of Ministers is assisted by the Council Administration Department in implementing measures affecting local government. The Department operates as a distinct organizational unit. Its function is to give effect to the supervising and control, exercised by the government, over the executive committees of the county, district, town and parish councils. At the same time it co-ordinates the operations of Ministries and agencies of the central administration in respect of local councils, and co-operates with them to achieve this.

The Council Administration Department is the executive unit of the Government in the general oversight of local government. By virtue of authority granted by the Council of Ministers it is supervised by one of the Deputy Prime Ministers. The Head of the Department, who has the rank of a first deputy minister, attends Government meetings in a consultative capacity. The internal structure of the Department is built up in accordance with the administrative and territorial division of the country and the principal spheres of activity of local councils.

There is no separate ministry in the Hungarian People's Republic, charged exclusively with the central direction of local government. }

### Organization of the Council Administration Department

The Council Administration Department discharges its functions in Sections divided according to administrative subject fields. These Sections are as follows:

- (a) The Economic Section, assists the local councils to deal successfully with planning, investment, finance, industry, trade, building and public services, communications and transport, water conservancy and communal development tasks.
- (b) The Agricultural and Food Section, assists the local councils to discharge functions relating to agricultural production, the food industry and agricultural administration.
- (c) The Cultural Section, assists the local councils in dealing with problems of education, adult education, public health, social policy and physical education.
- (d) The Administrative Section, assists local councils to discharge functions associated with the supervision of their administrative departments and with the professional inspection of specialized branches.

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1/ See Section I.

- (e) The Personnel Section, performs duties connected with personnel management and extension training, organized by the local councils, and deals with the preparatory work of disciplinary proceedings.
- (f) The Secretariat, gives advice and opinions on draft statutes and documents to be submitted to higher authorities, and takes part in the initial consideration of matters coming within the individual authority of the Head of the Department. It provides guidance in questions of theory and practice to the editorial board of the weekly Council Review (Tanácsok Lapja) and edits the periodical State and Administration (Allam és Igazgatás).

It may be necessary at some later stage to alter the division of sections in the Council Administration Department, if the circumstances came to require it.

Senior officials in the Council Organs Department are responsible for dealing with matters affecting each county and county borough, and to discharge these duties, as well as being working members of one of the sections of the Department. These officials maintain regular contacts with the executives in charge of the administration in the local areas. They study the proposals submitted by councils and their executive committees and exercise supervision over the legality of the resolutions of the councils. They regularly attend council and executive committee meetings in the local areas and in some instances participate in inspections made by specialized administrative agencies. They co-operate with the officials concerned in dealing with problems affecting personnel management in the local areas.

#### Duties of the Council Administration Department

The principal task of the Council Administration Department is to implement the guidelines laid down by the Government for the socio-political, economic and cultural objectives in the work of the local councils and their executive committees and administrative agencies. Accordingly the Department:

- (a) Assists and controls the enforcement of Acts, Decrees, Government Resolutions and the accomplishing of projects relating to economic, cultural and social objectives;
- (b) Co-operates with the bodies concerned in raising the standard of the supervisory and organizing work of the agencies of local government in securing the activities of these agencies, prescribed by law; and in facilitating the strengthening of relationships between local government agencies and the public;
- (c) Discharges functions related to the supervision and professional inspection of local council administrative sections, sub-sections, and the officials in charge;
- (d) Promotes and directs the extension training of local government executives and employees;

- (e) Submits to the Council of Ministers proposals from executive committees for the approval of the elections of local council executives or for their recall; and
- (f) Follows up the verification of changes in respect of elected local government executives.

The Council Administration Department discharges its activities according to plans drawn up every six months. When the plan of work is drawn up, the immediate tasks facing the local councils have to be taken into account. In order to discuss the Department's activity and its working methods, periodical meetings are held of sections, sectional heads, and sub-sections. Regular contacts are maintained with social organizations, the Patriotic People's Front, Civil Servants Union, the Hungarian Lawyers' Association, and with universities and scientific institutes.

### Relations with other ministries

A major problem in the central direction of local government is the co-ordination of the activities of the government agencies in charge of the general direction of local government. It involves assistance to them in the discharge of functions, as well as assistance to the ministries directing or controlling specialized branches of administration.

In the Hungarian People's Republic, as distinct from several socialist countries, notably Czechoslovakia and Poland, no special Government committee has so far been set up, entrusted with the co-ordination of the central direction of local government and the ministries concerned. The Economic Committee of the Government, the functions of which have already been outlined above, 2/ is principally engaged in presenting its views and proposals to the Government on questions arising from the relationship between the budgets of local councils and regional planning between the state budget and national economic planning.

The working conferences attended by the executives of local government agencies are important organizational features of the central direction of local government agencies and of the co-ordination of the activities of the ministries concerned.

The Council Administration Department organizes regular monthly working conferences, addressed by members of the Government or in several instances by the Head of the Council Administration Department for the executives of county councils and of county boroughs. These conferences constitute very important organizational features in the co-ordination of government activities, which affect local government agencies. The ministers concerned and the heads of agencies of national authority, participate in the discussion of items on the agenda.

The authority of the Council Administration Department, whereby it communicates its views on issues coming within its competence, constitutes another significant aspect of the relationship between the Department and ministries. The Department communicates its opinion on all draft statutes (draft Acts, Decrees, Resolutions, Ministerial Decrees, and Instructions), which affect local councils and local government organization.

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2/ See Section III.



In addition to the above the Council Administration Department carefully follows the trends in the development plans of local councils and their budgets, as well as problems of their relations with the state budget and with the national economic development plan. It provides assistance in deciding disputes between national authorities and local council administrative agencies.

In its participation in the continuous governmental direction of local government, the Council Administration Department co-operates with the ministries concerned in assisting the administrative activities of local councils. In practice this responsibility of the Department is discharged by representatives attending meetings of the heads of ministries or national agencies, the agenda of which contain items directly bearing upon local councils and the related administrative organs. The Department makes an analysis of the activities of the administrative organs of local councils on the basis of information and inspection material, obtained from functional and specialized national agencies. It ensures that the counties advance at a proportionate rate of development, within the framework of the national economic plan.

The co-operation between the Council Administration Department and the ministries in their supervision of local council administration should be particularly emphasized. In the course of these activities the Department pays particular attention to the regular and periodical inspections at local government level, made by ministries, national agencies, and social organs, which relate to the activities of local councils and their administrative organs, as well as to experience gained from assessments of such inspections. The Department studies and makes use of material obtained by inspection, in advising local councils and their administrative organs.

Besides its association with ministries and national agencies, the Council Administration Department maintains regular contacts with the central organs of the Patriotic People's Front in order to promote the widest possible co-operation, in many fields of council administration, between the executive committees of local councils and the local organs of the Patriotic People's Front.

#### Relations with local government units

The relationship between the Council Administration Department and local government units have been outlined in the foregoing paragraphs in conjunction with the structure and functions of the Department.

An essential feature of this relationship between the Council Administration Department and the local council administrative organs is that it is not one of the subordination of the latter. As has also been pointed out, the Department principally assists in giving effect to the directing role of the Council of Ministers and takes steps to ensure that its direction is observed by local government organs.

The same object is achieved by the supervisory activities of the Council Administration Department over local specialized administrative branches. At least once a year the Department examines the work of the executive committees of all counties and county boroughs in terms of the activities of one specialized branch. The result of this examination is evaluated in detail, this evaluation is discussed both by the Council of Ministers and by the local council concerned.



## VI. PERSONNEL MANAGEMENT

Various questions connected with personnel management in the civil service were regulated by the government of the Hungarian People's Republic in its comprehensive resolution adopted in January 1968. 1/ This resolution lays down the substance of government personnel management; the requirements connected with the selection, training and records of service of senior state administrative officials; the methods to be applied in government personnel management; the essential aspects of the training system; the tasks incumbent upon senior state administrative officials, and the tasks and the structure of the agencies in charge of personnel management.

The provisions of this Government Resolution apply in equal measure to all organs of state administration. The specific responsibilities of local government in matters of personnel management and the organization of their activities in this field were defined in a special instruction of the Prime Minister, issued in terms of the above resolution. 2/

Personnel management in local government bodies is dealt with in the central administration, as indicated above, by the Council of Ministers, and more particularly by the Prime Minister. The basic principles to be observed in government personnel management, both in its major requirements and within the scope of local administration, are determined by the Government, in accordance with the development of government activities and of society at large. Ministers issue orders, necessary to enforce Government Resolutions related to the subject, in respect of the specialized administrative agencies, coming under their authority.

The importance of personnel questions in local council administration is borne out by the fact that the executive orders, to enforce Government Resolutions bearing upon the subject, are issued directly by the Prime Minister. In the central governmental machinery it is the Council Administration Department 3/ in charge of local government affairs, which prepares drafts of directives, connected with major questions relating to personnel management in local government, to be issued at central government level. It is also concerned with trends in the composition of local government personnel. It submits to the Government resolutions approving the election and recall of council executives at county level. The Council Administration Department includes a personnel and training section which provides assistance and support of a methodological nature to personnel management in the organization of the local councils.

The definition of the basic principles and most important requirements of government personnel management is a task incumbent upon the government. The operative direction and control of personnel management, as a rule, is a

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1/ Government Resolution No. 1001 of 1968, I. 5. on the Development of Personnel Management.

2/ On the execution of the Government Resolution on the Development of Personnel Management in the Offices of Local Councils, Instruction No. 1 of 1968.

3/ See Section V.

decentralized activity, which applies also to local government and constitutes an inseparable and inherent part of the work of the principal agencies at the various levels. The senior members of administrative agencies are directly responsible for personnel management in the agencies under their control, as well as for the implementation of the basic principles and objectives of personnel management, as laid down in Government Resolutions. These requirements are met by decisions on the personnel affairs of senior staff and other employees of local government being taken at the level, where their activity is best known and can best be evaluated.

A most important responsibility of senior administrative staff at various levels in personnel management is to secure replacements in a planned fashion. One of the important criteria in assessing the work of a senior administrator is whether he is capable of training a sufficient number of future senior staff as replacements in appropriate positions.

One of the characteristic features of local government personnel management in the organization of the local councils is that it is directed by the executive committees of county level councils.

These bodies examine, usually every second year, the results which have been achieved in implementing the objectives and basic principles of government personnel management in the offices of local councils, and in enterprises and other establishments controlled by local councils. The implementation of resolutions, in connection with personnel management, is directly supervised from time to time by the executive committees of county level councils. This course is adopted mostly in instances where the executive committee of the council asks a specialized administrative agency, enterprise or other establishment to report on its activities, or when it exercises a general supervision over the activities of lower level administrative organs.

The structure of personnel departments in the organization of local councils and generally in local government is built up in the following manner:

There are personnel and training sections within the administrative machinery of county councils and county boroughs. These sections consist of three to five officials in the county council machinery and two or three officials in the county borough machinery, as may be required by the scope of their activities and the extent of the area under their jurisdiction.

The Head of a personnel and training sub-section may be appointed within the administration of district councils and those of towns of district authority.

One official usually has the personnel responsibility in certain specialized agencies of county and district councils. The need to appoint an official to discharge such functions arises with county councils primarily in the departments of culture, agriculture and food, finance, industry, building, communications and transport, water conservancy and trade. The same need arises with the district councils in the departments of agriculture, food and culture.

If necessary, a personnel and training section, an independent sub-section or an individual official may be placed in charge of personnel management in enterprises or establishments under control of local councils in accordance with the provisions of the Government Resolutions.

The heads of the personnel and training sections, within the administration of councils of various levels, and the heads of personnel and training sub-sections within the administration of district councils, are appointed by the executive committee of the council concerned; whilst the heads of sub-sections or senior officials responsible in the same field in the specialized agencies of local councils, are appointed by the head of the appropriate specialized agency. The latter appointment requires previous consultation with the president of the executive committee of the local council. The principal task of personnel departments in local government is to assist the executive of the appropriate local government agencies in personnel management. The content and extent of these activities are determined, as a matter of course, principally by the level of local government in which the administrative agency concerned discharges its functions, whether it is a county, district or town administrative agency, or whether the comprehensive problems relating to the entire administrative machinery of the council or only the personnel and training affairs of a single field of specialized administration, come within its scope of authority.

The principal responsibility of personnel and training sections, heads of sub-sections, and senior officials in local council administration, is to assist the executive committee of the council and its president in exercising control over personnel management, in dealing with personal matters coming within their competence; and in organizing the training and extension training of local government employees.

In order to attain these objectives they may:

- (a) Prepare comprehensive evaluations on the status of personnel management and personnel activities, to be submitted to the executive committee of the local council;
- (b) Forward proposals for making use of experience in respect of the problems before personnel management;
- (c) Exercise supervision over, and provide assistance to, the personnel management of the specialized organs of the councils, local government organs of a lower level, and of agencies and establishments subordinate to the local councils, in the exercise of authority given by the president of the executive committee of the local council; and
- (d) Arrange periodical conferences of the officials in charge of personnel management in the administration, enterprises and establishments of the councils, so as to help officials in charge of personnel management to conduct their activities as successfully as possible.

#### Records of Service

Government Resolutions on personnel management also lay down guiding principles in respect of the records of service of state administrative employees and, based on the information therein, provide general guidance on ways and means of improving their professional knowledge. A record of service is the fundamental document when the work and professional conduct of administrative employees is being evaluated.



Records of service are kept by the executives of administrative agencies. They are, however, required to consult social organs of a corresponding level and the personnel section or senior official in charge of personnel management. In administrative agencies with a large staff, the executive may delegate the authority to keep records of service to his subordinate in senior posts, but he still remains responsible for the correctness of such records.

By keeping records of service, it is possible to evaluate at regular intervals the activities and professional conduct of employees in state administration. When decisions are taken in respect of major questions affecting employment in state administration, such as promotion, rewards for good service, transfer or termination of employment, the record of service has of course to be taken into consideration.

Within three years after the first appointment a basic record of service must be prepared, with complementary records every four years. These complementary service records must include an assessment of how the duties laid down in the previous record have been discharged.

The Government Resolution on personnel management lays down the most important substantive requirements, which must be observed in keeping records of service. According to the terms of the resolution a record of service must contain:

- (a) An evaluation of employees of the state administration from a politico-social aspect and in terms of their loyalty to the government and social system of the people's democratic state;
- (b) The quality of their achievement as regards familiarity with the work and professional knowledge;
- (c) Their sense of duty, industry, and conduct towards fellow employees and clients; and
- (d) Their self-reliance and aptitude for taking initiative and responsibility in their work.

In addition in records of service relating to state administrative employees in senior positions, their capacity for leadership, their activities in professional training have also to be taken into account as well as the degree to which their efforts to find suitable replacements for vacancies in senior positions are meeting with success.

The democratic procedures, which must be applied under the terms of the Government Resolution in keeping records of service are also important.

To comply with this resolution the service record, after having been prepared in writing, must be presented to the person concerned. It must be discussed with him (or her) and the concurrence of the employee or any observations he has to offer must be entered in the record.

The record of service has to provide guidance in an attempt eventually to rectify shortcomings, and suggestions for the direction in which the abilities of the employee concerned can best be developed.



In case of transfer, only the record of service kept in the personnel registry and signed by the employee concerned, is transmitted to the new employer.

Records of service cannot be surrendered from the personnel registry, but provision must be made for employees in state administration to examine their own records of service, if need be. If a state employee requires his service record in order to protect his legal interests, a copy has to be transmitted, as an official document, to the authority, official agency or court with which the employee concerned wishes to substantiate his claim, provided that due request is made by the authority acting in the matter.

#### Local government personnel records

In local government records of service must be kept of employees in service positions and of those who perform work, which requires professional knowledge. No service records are kept in respect of employees conducting ancillary activities.

As prescribed in the appropriate Government Orders it is the responsibility of the president of the council's executive committee of the council of the county or county borough to define those areas of activity in the administrative machinery of the councils, or of enterprises and other establishments subordinate to it in which service records of the employees are to be kept.

The Government Order defining the authority for keeping service records in local government prescribes the following:

- (a) The service records of the presidents of the executive committees of the councils of counties and county boroughs are kept by the Head of the Council Administration Department of the Council of Ministers;
- (b) The above presidents keep the records of service of the deputy president or presidents of the executive committees of the councils as well as of the secretaries; of the presidents of the executive committees of the councils at the immediate lower level; and of the heads of agencies or departments, whom they have authority to appoint.
- (c) The head of department in councils of county and district level keeps the records of service of the employees of the department as well as those of the executives of subordinate enterprises and other establishments, whom he has the authority to appoint.
- (d) The president of the executive committee of the district council keeps the service record of leading officials, employed by the parish council under civil service terms.
- (e) The president and secretary of the executive committee of the parish council jointly keep the service records of the employees in their office organization, as well as of the executives of enterprises and other establishments of the parish council, whom its executive committee has the authority to appoint.

As a rule, the records of service of the local president, deputy president and secretary of the executive committees of local councils are prepared in the fourth year after the mandate has been granted to the council, because local councils are elected for a four-year term. After this period has expired both the council and the executive committee are newly elected.

The preparatory work associated with keeping service records, comes within the duties of the agency in charge of personnel management, if such an agency has been established. In discharging this function the agency concerned has to obtain the opinions of social organizations.

## VII. LOCAL GOVERNMENT TRAINING

The development of local government training, and the necessary curriculum, is governed by the requirements needed for application for posts in the local government machinery.

After the administrative system of the local councils had been established in 1950 a Government Resolution was adopted soon afterwards, in 1953, outlining the system of qualifications to be applied in local government. This has stood the test of time: as a result of its implementation the standard of local government performance has improved.

As a consequence, however, of developments in the economic, social and cultural fields, the demands on local government have been steadily growing. Moreover, after reforms in economic management had become effective in 1968, a further raising of the standard of training in local government administrative machinery became indispensable. For this reason a Resolution was adopted by the Government in 1968 on the development of the qualification system in local government. This Resolution contains the following provisions of major importance.

Persons applying for executive and senior posts in local government organs must be in possession of the required school, professional or specialized administrative qualifications. Achievement at school cannot be considered to be of equal value to graduation at university, college or secondary school, unless explicitly so declared by statute.

When individuals are selected for posts in local government or when they are to be promoted, particularly to executive posts, political and professional qualifications and gifts for leadership must be taken into account.

For posts to be filled by election, presidents, deputy presidents and secretaries of executive committees of the local councils, the absence of formal qualifications is not a disqualification. It is, however, essential that individuals, elected to such posts constantly attempt to develop their socio-political knowledge, and their administrative and economic training.

Qualification requirements are laid down by the Prime Minister for the general administrative organs of local councils: secretariats of executive committees and administrative and personnel sections. For the specialized administrative agencies of local councils, qualification requirements are laid down by the ministers concerned acting in conjunction with the Head of the Council Administration Department of the Council of Ministers and the Civil Servants' Union. The principal provisions of the government resolution on qualification requirements are as follows:

Only persons having university, college or corresponding degrees can apply for executive posts, such as head or deputy-head of section, head of sub-section, in the administrative agencies of local councils at the higher level: the counties and county boroughs.

Similar qualification requirements apply to the filling of posts of section heads in districts and town councils with district authority.

Secondary school or equivalent training is required to fill all administrative posts in councils at the lower level: district, town and parish.

If the circumstances warrant, the ministers concerned may extend the requirement of university, college or high-grade professional training to additional posts in the specialized administrative branches of the local councils under their control. Moreover, they have the authority to require special professional training over and above the general qualification requirements in specified administrative posts. In such instances, the ministers are bound to provide facilities to enable the persons concerned to acquire the special professional training required of them.

All employees in local government coming under the scope of professional requirements, also have to pass a special examination in subjects dealing with general state administration. The syllabus for the general state administrative examination is fixed and the members of the examination board are selected and appointed by the Head of the Council Administration Department, acting in conjunction with the Civil Servants' Union.

Professional requirements for executive posts in local specialized administration are complemented by those of experience gained in the appropriate professional field. In local government units at the higher level, counties and county boroughs, heads of section in the administrative organization of the councils must have at least five years' experience in the appropriate field. At least three years' experience is required for deputy heads of section and heads of sub-sections; and in the administrative organs the councils of district and district authority towns for applicants for posts of heads and deputy heads of sections and heads of sub-sections.

Without the level of formal education and the professional experience provided for in the relevant statutes applicants may be appointed only in exceptional circumstances to the administrative posts mentioned above. When such an exception is made the individual concerned is required at the time of his appointment to acquire the necessary qualification within a prescribed period. Where such an employee of the state administrative machinery has failed to obtain the necessary professional qualifications through his own fault, his employment must be terminated or he must be transferred to a job suited to his qualifications.

Employees in the state administrative service above the age of forty may be exempted from the obligation to acquire the formal educational qualifications, laid down in statutes. Male employees over fifty-five and female employees over fifty may be exempted from the general state administrative examination and the special professional requirements laid down by the ministers concerned.

The presidents of the executive committees of local councils at the higher level may also grant exemption to persons whose professional knowledge and ability, as evidenced in every-day practice, warrants this being done.

#### Organizational patterns and institutions in local government training

As mentioned above<sup>1/</sup> professional requirements are not indispensable qualifications for election of persons to local government posts. But it should

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<sup>1/</sup> See Section VI.



be mentioned that several Government Resolutions have been adopted, indicating the need for training and extension training for individuals elected to such posts. Training for presidents, deputy-presidents and secretaries of executive committees of local councils is provided in state administrative law and economics by Council Academies. At present there are four Council Academies in the Hungarian People's Republic, one in Budapest and three in provincial towns.

The work of the Council Academies comes under the supervision of the Head of the Council Administration Department. He establishes the statutes of the organization and functions of the Council Academies and approves the curriculum to be followed. The training lasts for one year. The directors are appointed by one of the Deputy Prime Ministers. The expenditure of these institutions is covered under a separate heading in the budget of the Office of the Council of Ministers.

The principal task, incumbent upon the Council Academies, is to provide a systematic training for the executives of parish councils. These institutions also serve as organizational centres for periodical extension training for district, town and county council executives. For example, between November 1968 and January 1969 nine groups of local council executives were attending courses, each lasting one week, on problems connected with the expanding economic independence of local councils and the raising of the standard of state administrative work. Such extension training courses are organized by the Council Administration Department. The lectures are given by the heads of the central ministries concerned with the activities of various local government branches.

Under another Government Resolution, from the year 1968 the organized extension training of managers of economic units has had to be provided in gradual and regular fashion. In order to achieve this, a differentiated and comprehensive system of training for their executives suited to the various levels and functions of supervision, as well as to the work of the various administrative branches must be set up by 1970. This provision also applies, as a matter of course, to executives of councils in charge of economic affairs. The intention is that extension training of this type will enable economic managers to be familiar at all times with the economic factors bearing on the activities of economic organizations and to achieve proficiency in practical methods of supervision and organization, so as to enhance the efficiency of their supervisory work.

In order to develop the system of extension training for executives and to give it the necessary direction and supervision, a Co-ordinating Committee of Extension Training for Executives was established, consisting of experts representing the government, social organs and scientific educational bodies. The Council Administration Department is responsible, within the framework of this committee for ensuring that particular requirements of economic management by the local councils are met.

Among the centrally organized institutions which are also concerned with the extension training of employees of local government units at the higher level, counties and county boroughs, the Institute of Organization and Bureau Mechanization of the Ministry of Finance should be mentioned. It organizes at regular intervals preparatory courses in bureau management, mechanization, organization and the application of computers.

## VIII. FINANCIAL ADMINISTRATION

In the substantial development of relations between organs of central and local government the financial status of local government units is of particular importance, especially in the proportionate distribution of their revenues in the financing of local public expenditure. Similar importance must be attributed to the sources of credits and funds, needed to finance investments and the activities of the councils as well as to the trend of development of the structure and functions of financial administration.

The system of finances and financial administration of the local councils, as it is today, has been evolved simultaneously with the development of local government. The reforms introduced since January 1968 in national economic management have brought about essential changes also in this field. The principal trend of the changes, which have taken place, may be summarised briefly as follows:

- (a) The scope of the financial authority of local councils has been considerably extended. The scope of the sources of revenue has been substantially widened, as compared to the previous arrangements; and the structure of these sources has also undergone changes.
- (b) Methods and measures of indirect control have come to prominence in the central direction of the financial management of the local councils.
- (c) The role of local councils has been increasing in the direction and control of local government authorities.

The finances of local councils are based on two major components:

- (a) funds earmarked in the budget and (b) the so-called development fund, which serves for the realisation of development objectives. The management of budget assets and liabilities and the development objectives, which influence expenditure, are concerted in the financial plans of local councils.

The range of the sources of revenue of local councils and their proportionate distribution, as well as the amount of government grants, are determined by the Government by the parliamentary approval of a financial plan, drawn up by the Ministry of Finance. Local councils, in turn, draw up their financial plans, taking into account revenue sources approved in this way. Local councils determine independently the distribution of funds among the establishments under their control, within, of course, the limits set by financial possibilities. Thus local councils virtually fix the standard of supply of institutions for which they are responsible. Local councils are required under law to observe economic regulators and targets, as laid down in the national economic plan and the state budget. The same applies to the provisions of the relevant legal rules. The central direction of specialized administrative branches is effected by means of branch directives prepared by the ministries concerned.

The development fund of the local councils constitutes the principal, consolidated financial basis for implementing development objectives defined in local council plans. Consolidated local development funds were introduced in 1968 when the change to the new system of economic direction was effected. The local council development fund offers a safeguard for the achievement of long-term economic objectives and at the same time provides an incentive, because each

local council is responsible for deciding upon the amount to be provided by the fund and how efficiently it is used, within the limits of the legal regulations. The fund can only be used for financing specified projects. Local financial agencies, the finance sections of the councils, inform all local councils in advance of the extent of financial resources available for operation and maintenance for the next five years, as determined at the time of earmarking the development fund. They also furnish information in respect of the sharing and the amount of government grants. Local councils are specifically required to defray from their own funds the expenses of maintenance and the operation of establishments, which have been created from financial resources, provided from the development fund.

The sources of revenue of the development funds of local councils may be divided into three groups: (a) local revenues granted to local councils; (b) government subsidies and grant, and (c) bank credits afforded for development purposes.

The development plans and the funds of councils of county level are determined in respect of lower-level councils, in accordance with the actual scope of their directing authority. Specific large-scale investments and the resources needed to finance them constitute an exception. This expenditure is an integral part of the plan of county level councils, irrespective of the plan of the local council in charge.

The local sources of revenue which constitute the financial resources of the development fund of the local council are established on a long-term basis and therefore constitute important conditions of stable local financial management, in accordance with the objectives, for which the fund has been established. The local sources of revenue earmarked for the development fund are: communal tax, popular contributions for parish development, the quota of the sinking fund of enterprises under local council management, retained by the councils, and other local revenue.

Government grants and subsidies accorded to local councils, constitute the most considerable financial resources for development funds of local councils. Government grants are made available from the state budget, on the basis of amounts, fixed for five years in advance, as determined by the Government. This is, in fact, a supplementary financial resource, needed to finance development targets in excess of the local sources of revenue. The fixing of the government grants, over this longer period, is conducive to more economical use by the councils of the resources of the development fund, which thus are related to a considerable extent to the finances of the councils. A more precise planning of the development funds, is also facilitated by the long-term determination of the amounts of government grants.

In order to implement targets laid down in their development plans local councils are authorized to make advance payments from their development funds, by drawing on short, medium and long term bank credits. Medium-term credits lapse after thirty-six months at most. Long-term credits must be repaid after a maximum of ten years. Credits can be drawn on for the following purposes:



- (a) Water supply, small-size waterworks and drainage;
- (b) Advance construction of public utilities, for example, water supply, drainage, road-building or power-supply on sites to be used for the building of industrial establishments in the future; and
- (c) Dividing plots for building week-end cottages.

Such credits may also be drawn upon jointly by local councils and the enterprises concerned. Banks grant credits mainly for the long-term requirements of co-ordinated construction of public utilities.

Should the opening of credit involve foreign currency it is defrayed from the amount of foreign currency earmarked for use by councils of counties and county boroughs.

Short-term bank credits may be drawn on under the terms of a resolution of the executive committee of the local council. To draw on medium and long-term bank credits requires a resolution of the competent local council, which is the representative locally elected body.

In Hungary matters connected with credits for the financing of the targets of local councils are conducted within the framework of the general banking business. In contrast to practices adopted in several countries, no institution has been created to deal exclusively with matters connected with credits granted for local councils. It should, however, be pointed out that more favourable terms are stipulated for local councils than those normally adopted by the banks.

In the general directives of credit policy approved by the Government special provision is made for the granting of credits for local council development projects and their terms and conditions. Credit policy proposals are prepared by the Credit Policy Board. The Board is composed of representatives of the central establishments in charge of economic management, the National Planning Office, the Ministry of Finance, and the National Office of Supply and Prices, as well as of ministries in charge of economic affairs, other national organs of control and managers of leading banks. These organs participate operationally in drawing up credit policy proposals, which are submitted to the government jointly by the Minister of Finance and the President of the National Planning Office.

Local councils solicit loans from branches of the banks, with which they have the accounts of their development funds. Parish and district councils file their requests for loans with the appropriate branches of the National Savings Bank. Councils of counties, county boroughs, and district authority town councils file their requests with the appropriate branches of the Hungarian Investment Bank. The decisions of the banks are communicated to the local councils concerned and when the loan has been granted, the bank also transmits a draft loan contract.

The Minister of Finance is in charge of financial management and control. By virtue of his authority, the Minister prepares draft statutes governing state budgetary management and within this framework, that of local councils. He also



maintains control over the financial management of counties and county boroughs. In the Ministry of Finance the Local Council Budget Department is in charge of local council budgetary problems.

In formulating a unified financial policy and a concerted arrangement of financial provisions, controlling economic management, and in concerting budgetary and credit policy, the Minister of Finance acts in close co-operation with the President of the National Planning Office, the managers of other national functional authorities, and the President of the Hungarian National Bank. He takes action necessary to secure the co-operation of ministers and managers of national authorities in charge of various administrative branches. Since the local agencies of financial administration exercise their functions as units, subordinate to the appropriate local councils, the structure and operations of the financial administrative organs are defined by the Minister of Finance in agreement with the Council Administration Department.

## IX. TECHNICAL AND ADMINISTRATIVE SERVICES

As may be inferred from the foregoing, the central technical and administrative services, assisting local government operations, discharge their functions mainly within the organization of ministries and other national authorities. In addition, there are agencies which are in charge of securing the rule of law in local administrative operations. These are mainly organs entrusted with supervision over the implementation of government objectives in economic, social, public health and cultural development as well as the specific functions discharged by the Council Administration Department of the Council of Ministers, which controls local government activity.

Under the Constitution all of the high-level local government organs are required to exercise regular supervision over the activity of all lower level local government organs in respect of the observance of the rule of law.

In addition, in the Hungarian People's Republic, as in other socialist countries, a general supervision over the observance of the rule of law is exercised over councils of all grades and all local administrative agencies, by the Procurator-General's Office through the local Procurator's Offices. This is directed by the Procurator-General's Department of General Supervision over the observance of the rule of law. It is an essential feature of this general supervision that the Procurator, with authority in the particular area, may attend, in a consultative capacity, local council and executive committee meetings. Procurators are empowered to inspect and be given access to the minutes of resolutions adopted by the meetings of local government organs. They may also inspect official papers.

Moreover, they have the authority to institute and conduct inquiries in connexion with the supervision over the observance of the rule of law. The relationship between local government organs and the Procurators' Offices is mainly derived from the authority of the Procurators to lodge protests against action taken by local administrative organs, or to seek restraints or to issue warnings in this context. The authority of the Procurators in connexion with the supervision over the observance of the rule of law not only prevails within the limits of the local council administrative organization but extends in a wider field to other government social and economic organs.

The Procurator-General's Department of General Supervision informs the Council Administration Department of the Council of Ministers, as part of normal working routine, on the status of the observance of the rule of law in the activity of local administrative organs.

### Control

The Central People's Control Committee is a central control organ, under the direct direction of the Council of Ministers. Through committees corresponding to the territorial administrative divisions, it exercises regular control over the implementation of government resolutions on economic, social, public health, cultural developments and the performance of operations connected with the improvement of general living standards.

The Central People's Control Committee exercises similar control in fields within the competence of local councils, through its local control committees. The inquiries conducted by the Committee in respect of local council organs and institutions are intimately associated with the plans of control drawn up by the Council Administration Department of the Council of Ministers and the ministries concerned.

#### Administrative analyses

The central analysis of local government activity is conducted by the Council Administration Department of the Council of Ministers. No special government agency or central institution has been created for the general investigation of these problems.

The Council Administration Department of the Council of Ministers prepares plans for comprehensive investigations in connexion with the over-all important questions, relating to local government or specialized administration, as may be required by the circumstances of the specific inquiry, in co-operation with representatives designated by appropriate ministries, scientific institutions, or the Civil Servants' Union. It carries out analyses of activities of county councils. It also takes initiatives to introduce experiments in administration and organization, intended to secure improvements in local government. It may, for example, investigate the suspension of the activities of executive committees in small parishes and the transfer of their functions to the councils, or it may study the flexibility of the organization of the standing committees of the local councils with the intention of adapting it more closely to local conditions.

The results obtained from investigations are submitted from time to time to the Council of Ministers, and eventually national conferences are organized, attended by the county council executives and the representatives of the ministries concerned. The results of investigations are also discussed directly with the executives of the county council concerned. Matters of general interest obtained from studies of local government activities are published in the periodical State and Administration (Állam és Igazgatás) or in the Information Bulletin (Tájékoztató) edited for internal use in the Department.

As already mentioned, 1/ in the system of government organs of the Hungarian People's Republic, ministries and other national authorities also discharge professional directing supervisory and control functions in respect of the specialized organs subject to local councils. Within the structure of various ministries there are to be found, in most instances as separate organizational units, sections in charge of the appropriate branch of local council administration. These sections primarily provide professional and methodological support to local council organs to help them improve their conduct of affairs. Two examples of such specialized sections are the Territorial Development Department of the National Planning Office and the Local Council Budget Department in the Ministry of Finance. These sections also assist in concerting the activities of various administrative branches and the similar units in the administration of the councils; and in achieving development objectives.

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1/ See section I.

## X. RESEARCH ON LOCAL GOVERNMENT PROBLEMS

Research on problems connected with the structure, functional patterns and legal regulation of local government in the Hungarian People's Republic has been initiated and are in progress on the following topics:

- (a) The role of local government in the state administrative system; issues connected with the organizational and legal relationships between organs of central government and the agencies of local government;
- (b) Issues connected with the evolution and development of the organization of local councils;
- (c) Theoretical questions relating to socialist local representation;
- (d) Problems connected with the electoral system of the local representative bodies;
- (e) Problems of differentiation of the scope of authority in local government organization.
- (f) Inquiries into factors determining the territorial scope of local government, such as the optimum dimension;
- (g) The economic and financial basis of the administrative activity of the local councils;
- (h) Questions of law and organization connected with city administration;
- (i) District councils and the specific features of their administrative activity;
- (j) Questions of law and organization, relating to the development of parish administration;
- (k) Problems of the creation of basic units of territorial administration, the parish districts; and
- (l) Issues connected with the development of residential areas.

It may be inferred that two trends prevail in the research methods and in the nature of problems related to local government. One is the application of the comparative method of research in connexion with local government problems; the other is the expanding role of factual research conducted in order to arrive at an actual assessment of local government organization and activity, so as to afford assistance to its development on a sound basis.

The increased application of the comparative method in research in local government has been particularly important through the local government reforms which are at present the order of the day in most countries of Europe, both socialist and western.



At the first approach it would appear that the shaping of the organizational pattern and activities of local government present a very similar picture in states of differing types. It should, however, be kept in mind that the possibilities and trends of developments in local government are determined to a considerable degree by geographic and economic conditions, by the extent of the residential areas as they have grown up in the course of history, and by the degree of public duties and services, discharged by local agencies.

Moreover, in order to comprehend the substance of any local government organization it must always be related to the social system and the requirements of economic development of the country in question. Consideration of the socio-economic conditions reflected in the structure and activity of local government, and of the implementation of the role and the importance of the local elected representative bodies within the context of the political institutions, existing in the particular country must be considered together in order to provide a basis for examination, when applying the comparative method in the study of the characteristic features of local government organization in operation in various countries, and of related attempts at introducing reforms.

This requirement needs to be emphasized because mistakes which distort the essential characteristics of local government and its activities are frequently encountered in publications that overemphasize the formalistic comparison of local government institutions, which are outwardly similar.

It is for this reason that particular attention is paid in the Hungarian literature on administrative law to the elucidation of theoretical problems and matters of principle, when the comparative method is followed. Research papers, prepared on topics connected with local government, are characterized by a carefully considered application of the comparative method.

Research of a comparative nature on local government problems is promoted to a considerable extent by the publications of the Institute for Legal and Administrative Sciences of the Hungarian Academy of Sciences.

In recent years a collection was published of statutes, enacted in various countries, on the election of representative organs in local government. A bi-monthly review of documentation, in which statutes and papers, published in the official Gazettes and in the scientific periodicals of various countries, bearing on local administration, are noted and in many instances reviewed. Papers on local government written by Hungarian and foreign authors are frequently published in such Hungarian periodicals as State and Administration (Állam és Igazgatás); Administrative and Legal Sciences (Állam-és Jogtudomány); Law Review (Jogtudományi Közlemény); and Collection of Articles on Law Published in Foreign Countries (Külföldi Jogi Cikkszüjtemény). From time to time scientific symposia are organized, attended by experts from several countries, at which experience, of the development of local government is discussed.

The number and importance of factual research and sociological surveys, relating to research in local government have been increasing.

In recent years such surveys have been conducted on the following topics:

- (a) The interdependence between the citizen's knowledge of law and his participation in local government;

- (b) Analyses of factors affecting the selection of local government heads of parishes and the formation of these organs of local government, based on information collected in parishes in three counties;
- (c) The relationship between local government organs and co-operative farms and its evolution;
- (d) Problems of administration, organization and scope of authority in parishes, based on information collected in parishes in two counties;
- (e) Problems of organization and the scope of authority in towns of medium-sized population, based on inquiries conducted over a long period in five towns;
- (f) A complex inquiry in the parishes of a single county in connexion with the rational developing of local government organization and activity;
- (g) A sociological survey of decisions, taken by parish councils;
- (h) Inquiries into the efficiency of the activities of organs of local government; and
- (i) The system of communication with the general population in local government activities of parishes.

Factual research and sociological surveys are of some importance in comparing local government organization and its activities with the actual socio-economic requirements.

Two other problems are raised in connexion with such research.

One is the relatively high costs involved in factual research, which makes it necessary to co-ordinate research in this field between research institutes, the Government and social organs, and appropriate university departments.

Various methods of co-operation between research establishments, various government organs and social institutions, have been evolved in the Hungarian People's Republic in research of a similar nature in terms of the topics examined.

Experience suggests that such an approach is likely to reveal the problems of local government in a more complex fashion; and the conditions necessary for the development of the structure may thus be ascertained in a more thorough-going manner.

Another set of circumstances, which should be taken into consideration, when factual research and sociological surveys are carried out in problems of local government, may be summarized as follows. Such research is in many instances directed at the examination of problems of a wider scope and not explicitly at the study of local government as such. However, the very fact that the structure of local government can be somewhat easily reviewed, that it has identical characteristics, and that the number of local organs is relatively large, provides an opportunity to make comparisons and to deduce general conclusions. It is for this reason that the problems of local government are frequently used in the study of sociology as useful material for various surveys, from which research in local government also benefits as a matter of course.

## XI. ASSOCIATIONS AND ORGANIZATIONS FOR THE IMPROVEMENT OF LOCAL GOVERNMENT ACTIVITIES

In the Hungarian People's Republic the Civil Servants' Union primarily concerns itself with the specific representation of the interests of local government employees. Nothing in the nature of a union or association of local authorities has been established,

Many activities are discharged by the Civil Servants' Union in connexion with local government organs and their employees. Among these the following should be mentioned:

- (a) The Union is concerned with the trend of the wage system for local government employees within the over-all system of wages; it takes initiatives in regulating problems of wages affecting local government employees; and it encourages and assists in bringing about suitable financial conditions for cultural and educational facilities in the machinery of local government;
- (b) It promotes the preparation of measures, aimed at developing technical equipment in local government offices; and encourages the examination of opportunities for mechanizing office work;
- (c) It renders regular assistance to the training and extension training of local government employees; and it sponsors publications serving this objective in the Council Library series; and
- (d) It organizes conferences, such as, for example, conferences of towns and parishes, in co-operation with the representatives of the government organs and local government units concerned.

In addition to the efforts of the Civil Servants' Union, useful assistance is given to developing local government activity by the Hungarian Lawyers' Association. This is a voluntary grouping to assist lawyers in various walks of life to co-operate in a social organization. In view of the considerable number of jurists, who are active in local government, the Association gives attention to problems of local government, centrally as well as in its local branches. It also undertakes the protection of certain interests of the Association's members and their support.

Within the framework of the Association, jurists employed in state administration, specializing more particularly in local government, constitute distinct sections, with executives and separate working programmes of their own. These sections conduct their activities in Budapest and in all counties.

The meetings and conferences of the state administration sections of the Association discuss theoretical and practical issues bearing upon local government. Jurists active in the field of both theory and practice who have visited kindred institutions abroad inform the membership of their experience. As a consequence of the close co-operation in the sections between experts in theory and practice, this organizational pattern provides appropriate conditions for developing useful working relationships. The section organizes conferences and discussions, usually with large public attendance, on draft statutes bearing upon local government, and on experience derived from problems arising in the course of enforcing Acts and Government Decrees.



## XII. CONCLUSION

A characteristic feature of the relations between the organs of central and local government in the Hungarian People's Republic is their flexible adaptation to the needs involved by the socialist socio-economic transformation of the country. This amounts to an assertion that the content, pattern and methods of the direction by central government, and the extent and limits of the authority of councils, in charge of directing local government activities are not static, but are moulded in keeping with the social and economic development of the country, and with the degree of professional competence of the administrative agencies of the councils.

To illustrate this, it will perhaps suffice to mention the three main periods of the evolution of this relationship.

The first period, which lasted from 1949 to 1954, was determined essentially by tasks connected with building up and consolidating the organization of the system of local council administration. This is manifest in the first Council Act, adopted in 1950. The shaping of the local government organization was accompanied by the amalgamation of the previously existing local government organs and the local organs of the central administration. The dominant role of central direction in the relations between central and local government was given emphasis, because of the tasks which then had to be faced and even more because of the over-centralization of national economic management.

The second period, beginning with the adoption of the second Council Act in 1954, lasted until 1967, when the aspects of the new economic management, which affect agencies of the local councils, were elaborated. In the first half of this period the autonomous scope of direction and authority of the specialized administrative agencies of local councils was gradually built up. Their role and responsibility in conducting specialized administrative activities in the territorial units was increased. Simultaneously the direct relationships between local, and high-level central, specialized administrative organs have been strengthened. In the final analysis this implies the ministries in charge of the central direction of the particular branch of specialized administration. In this period ministries were doing significant work in organizing the specialized administrative departments in the council organization and the training of their employees.

The second half of that period witnessed a growing tension between the specialized local direction of ministries and the directing organs of local councils which had gained in stature in the meantime. The extension of the scope of authority of local councils and their executive committees in the direction of local government was necessary because of the expanding socialist democracy and the increasing political significance of local representative organs.

The third period, as has already been pointed out several times, is related basically to the reform of economic management, introduced in 1968. The changes, which have occurred in the system and methods of economic management, have also brought about changes in the relations between the ministerial organs of central government and the organs of local government. The direction, or more precisely the control, over local specialized administrative activity is carried out indirectly by the ministries primarily by the issue of decrees through the



intermediary action of executive committees of the local councils. It is therefore these committees, which are responsible to the Government for the implementation of the specific administrative branch policy in the territorial units, and for the direction of local specialized administrative organs. The increased autonomy of local councils and the major changes which have occurred in the relations between central and local government have made it necessary to prepare a new Council Bill within a relatively short time. It may be assumed that the scope of authority of councils of various levels will be defined in a way to be differentiated, according to the level of each council and it may also be expected that the organizational and legal safeguards of the territorial co-ordinating role of the local councils will be emphasized.

In shaping relations between central and local government the provision of the material and financial resources, needed to carry on public activities, have outstanding importance. Experience, gained from nearly two decades of activities of local councils, bears out that the augmentation of the direct sources of revenue of the councils and the cession of certain central government revenues to the councils, may significantly contribute to the efficiency of the financial means used by local councils to defray local expenditure. Another factor which may operate in the same direction in this respect, is the determination of the amount of government grants for the longer period of five years. Councils have the option to draw on bank credits to make advance payments, to be reimbursed from their proper sources of revenue. The residue of the budget expenditure at the end of the fiscal year may be drawn on, to amounts fixed by the councils. All these measures are destined to encourage local councils to be not merely users of government grants, but to conduct their own financial affairs. Their financial resources should also be affected by the efficiency of properly arranged economic management and by good financial arrangements by the units under their control.

It is clear from the provisions of several statutes that the horizontal relations between the local councils and Government, economic organs and institutions, operating in their area but not subordinate to them in the organizational pattern, have emerged in a novel way. The scope of authority of local council organs has been expanding but not in automatic fashion. Its character is also undergoing changes in keeping with placing greatest emphasis on co-ordinating activities in the areas concerned. The demand for such activities was already raised at an earlier period and was, in part, given effect before local council organs had been established, when organs and institutions not subject to councils were required to provide periodic information. This process, however, proved to be not quite efficient. In particular, problems were encountered in respect of projects and expenditure undertaken within the boundaries of a territorial unit by organs of different nature, such as public utility works, maintenance and servicing shops, or cultural and social institutions. Under the new legal regulations, appropriate patterns of organization are provided for both in the centre and locally, to secure increasing efficiency in public expenditure. In this respect the elaboration of the territorial planning system is particularly important because within this framework the local effects of national development plans and the objectives of local projects are co-ordinated.

This co-ordinating function of local councils, and its assertion, are encountered also in other spheres. It should be pointed out that cultural and adult educational activities are carried out in territorial units, not only council organs but social organizations and societies, such as local branches of the

Patriotic People's Front, Trade Union branches, or the Society for the Propagation of Scientific Knowledge. It is necessary to co-ordinate to some degree such activities in the territorial units, and for this the most suitable machinery is provided by the council organization.

The fact that the co-ordinating function of local councils has come to be given such strong emphasis therefore does not amount to the amalgamation of activities, conducted in the various fields, but the co-ordination of the special requirements and the profiles of several organs and institutions. It amounts to the application of a comprehensive local method of doing things and a more reasonable and efficient use of the available material and intellectual resources.

The expansion of local council activity and the important changes which have occurred in their relations to central government organs, of course also render necessary the development of services assisting the central directing role of the Council of Ministers. This requirement has in part come about through the fact that the legal status of the Council Administration Department of the Council of Ministers has been raised to a higher level. Eventual changes in its organizational pattern may also have to be considered. There is also a demand for establishing a scientific institution, to be charged with the analysis of issues connected with the council organization. Experience has shown that the added political significance of local councils and the increased importance of local government activities require the examination and elucidation of major issues from the point of view of scientific government organization work.

To identify the standards of local government units, within the framework of which central government direction and the implementation of local administrative tasks are carried out, constitutes an important element in the trend of the relations between central and local government. In the years when the local councils were established, and in the subsequent one and a half decades, it was the district council administrative machinery which was discharging important duties in directing and controlling local government work.

In keeping with the development of the socialist socio-economic system and the increased participation of citizens in public affairs, as well as the change-over to the new system of economic management, the basic units, the towns and parishes, have been advancing towards occupying a central place in local government. This fact, in turn, has created a need to introduce differentiation between parish administrative units, into greater and smaller parishes and parish circuits. This and the drawing up of plans, which take many factors into account, to develop the network of residential areas provide a basis for the modernization of local administrative organization and for the definition of the objectives of its rational development.

The methods applied in the direction of local government by central government are determined to a large extent by the level of the professional knowledge of local government executives and employees, and their general political knowledge and professional training. Certain elements of these requirements have been emphasized, with varying importance and significance, as determined by the periods of social and economic development, and the building up of the socialist government organization. In the first period of local government organization, it was mainly the executives of district and parish councils which were in the

forefront of the training programme. Next came the developing of the training, and extension training, of local specialized administrative employees. In the first years of people's democratic development the filling of certain professional and administrative appointments, was of course already conditional on professional training and qualification in such fields as public health administration, public works and construction, communications, and transport, etc.

As long ago as the first decade of council administration, it was necessary to elaborate and introduce a comprehensive system of professional qualifications in every field of local government. Experience has shown that the expansion of the autonomous operation of local councils, of their scope of authority and of the actual role played by them in the conduct of local public affairs, is most significantly determined by the level of professional knowledge of council executives and employees.

## POLAND

S.W. Gebert\*

### I. BACKGROUND INFORMATION

The general structure of government in Poland, a country with a territory of 312 square kilometres and a population of 32 million, is that of a unitary State.

The whole country is divided into seventeen provinces (województwa), further referred to as provinces 1/ and five cities enjoying provincial status. Each province is divided into districts (powiaty) and cities with district status. The total number of districts amounts to 317, and that of cities with district status to 74. Each district embraces rural municipalities (gromady), towns and settlements (osiedla). A settlement is a formerly rural area which, through partial urbanization, has reached a stage of development between rural and urban municipalities. There are some 4,700 rural municipalities in Poland, some 60 settlements and some 750 towns.

The structure of government is defined in the Constitution of 22 July 1952.<sup>2/</sup> The basic principle that power belongs to the working people of town and country is guaranteed by two constitutional principles. First, the people exercise this power through their representatives elected to the Diet, and to the local People's Councils. The representatives have to report to their constituents, and may be recalled by them. Secondly, the power lies entirely with the system of representative organs, embracing the Diet and all the People's Councils, which are therefore classed as organs of state power or state authority. All other state organs, including the whole of the administration, are directly or indirectly subordinated to some representative organ. Thus through these representative organs the citizens exercise a decisive influence on the whole of the state apparatus.

The Diet, being elected by the whole nation, is the supreme organ of state authority, and, as the Constitution expresses it, "realizes the sovereign rights of the nation". The population of each unit of territorial division elects its own people's council.

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1/ The word voievodship, which is often used in this connexion, is frequently referred to in English as region. However, the Polish word regiony is now used with a different meaning, to denote territories for which special development plans are being elaborated, irrespective of the boundaries of their territorial division. The word province is therefore used in this document.

2/ The Constitution of the Polish People's Republic, is promulgated in the Journal of Laws (Dziennik Ustaw). A few amendments have been made to the Constitution from 1954 to 1963.



The Diet and all the people's councils are elected throughout the country on the same day, every four years.

Each people's council directs the development of its territory and, within limits specified by law, 3/ is supervised by the people's council of the level above it. The uniform system of representative organs excludes a juxtaposition of state organs and local self-government.

The character of the Diet as the supreme organ of state authority is guaranteed in a twofold way. First, no other agency is authorized to limit its activity nor to challenge its resolutions. Secondly, the Diet decides by legislation the legal system, the structure of government and the basic rights and duties of the citizens. It adopts the national economic plan and budget and thus directs economic development. The Cabinet is appointed by, and responsible to, the Diet.

The Diet, composed of 460 members, meets in sessions convened by the Council of State at least twice a year. Legislative initiative is vested in the Council of State, the Cabinet and groups of at least fifteen members of the Diet.

Another principal organ of state authority is the Council of State, composed of a chairman, his four deputies, one secretary and eleven members, chosen by the Diet from among its members for the whole term. In the intervals between the sessions, the Council of State takes over a part of the Diet's functions. It may recall and appoint particular members of the Cabinet, at the request of the Prime Minister, and may issue decrees with the force of law. However, resolutions to this effect have to be submitted for approval at the next session of the Diet. In practice the Council has for many years been making use of these powers only in quite exceptional instances.

Most of the prerogatives of the Council are typical of a Head of State. The Council represents the State in relations with other countries; appoints ambassadors; ratifies international agreements; bestows orders and awards and grants pardons. The Council convenes general elections and exercises supreme supervision over the people's councils. It may proclaim marital law and mobilization. After receiving the annual reports of the Supreme Chamber of Control and of the Chief Public Prosecutor as well as information presented by the President of the Supreme Tribunal, the Council of State may issue guidelines for their further activities.

The Council of State is responsible to the Diet in all its activities.

The organ of central government to which all other organs of state administration are subordinate is the Cabinet, or Council of Ministers. It exercises executive authority in all fields of state administration and national economy. It consists of the Chairman, usually called the Prime Minister, five deputy prime ministers, all the ministers, as well as the chairmen of some commissions and committees, specified by law. The Prime Minister may be chosen and recalled only by the Diet, and the appointment and recall of other members of the Cabinet takes place only at the Prime Minister's initiative.

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3/ The People's Councils Act of 25 January 1958, amended and promulgated in 1963.

The Cabinet co-ordinates activities of ministries, exercises general direction of relations with other countries and of national defence. It supervises and directs the boards of the people's councils. It is the responsibility of the Cabinet to ensure the execution of laws, the protection of public order, of state interests and of the rights of citizens. On the basis of laws, and for the purpose of their execution, the Cabinet issues executive orders, adopts resolutions and ensures their proper execution. Most of the Cabinet's decisions are aimed at the development of the national economy. The Cabinet adopts and presents to the Diet the proposed state budget as well as national economic plans, endures their execution and makes an annual report on their results to the Diet.

The Prime Minister not only directs the work of the Cabinet, but also exercises certain personal prerogatives, for example, he appoints and recalls deputy ministers.

Each minister directs a branch of state administration, determined by law. Orders and regulations issued by a minister can be rescinded by the Cabinet. Actually there are twenty-one ministries but the number of ministers varies in accordance with current legislation, since the office of a minister is established by law. The same applies to collegiate bodies whose chairmen are, according to law, members of the Cabinet. To this category belong: the Planning Commission, the Committee for Labour and Wages, the Committee for Small Industries and Handicrafts, and the Committee for Science and Technology, which prepares development plans in this field, and after their approval by the Cabinet, supervises their implementation.

Some of the other central agencies are not headed by a member of the Cabinet but are subordinate to a minister, mostly to the Prime Minister, for example, the Main Committee for Physical Culture and Tourism and the Central Office for Water Supplies.

Judges are independent and subject only to the law. Unless otherwise provided by law, for example, in cases before the Supreme Court, court cases are heard and judgements pronounced with the participation of People's Assessors, chosen by the people's council. The Council of State appoints members of the district and provincial courts and every five years chooses the members of the Supreme Court.

Provincial courts act as courts of original jurisdiction for the more serious cases and suits, and as courts of review for the cases originating in district courts. A verdict handed down by the court of first review is considered final. The Supreme Court acts as an ordinary court of first review and as the highest judicial organ, it exercises supervision over all other courts with respect to judicial decisions, and adopts directives for the administration of justice, which are binding on all concerned. The powers of the Supreme Court also apply to the military courts, which deal with criminal offences committed by military personnel, and to courts of social insurance, which exercise judicial control over administrative decisions in this field.

Petty criminal offences are dealt with by administrative panels chosen by people's councils from the general population. They are authorized to impose small fines and in some cases short detention. Each sentence of detention may be appealed before the district court.

The Prosecutor General and his field offices in each province and district, are independent of any administrative organ and of local government. He is appointed and recalled by the Council of State and obliged to act in accordance with its directives. Apart from his responsibility for the prosecution of criminals, he has to control the legality of administrative action. Owing to the absence of administrative courts, apart from the courts of social insurance, the latter function has a constantly growing importance. The prosecutor is bound to lodge ex officio protests against any illegal administrative action. The protest is not binding, but the individual to whom it is addressed has to review the case and to inform the prosecutor of the result. The prosecutor, if dissatisfied, may present the case to higher authority, including the Cabinet and the Council of State.

The Supreme Chamber of Control is also independent of any administrative organ and of local government. It is subordinate to the Diet, and to a large extent to the Council of State. Its Chairman, is appointed by the Diet, and his deputies by the Council of State.

The Chamber is primarily interested in the control of the implementation of the economic plan and budget; of securing national property; and of safeguarding financial discipline. This control is largely exercised from the point of view of good management and sound purpose. The activities of the people's councils are controlled by the members of the Chamber, who have offices in each province. The Supreme Chamber co-ordinates all the specialized controlling agencies, acting within the framework of administration; and submits annually to the Diet observations regarding the implementation of the state budget and of the national economic plan.

Sessions of provincial people's councils are convened by their boards at least every three months; those of district people's councils at least every two months; and in rural municipalities at least eight times in a year. It is this board that represents the people's council in its outside contracts.

Each people's council elects, usually from its own members, its executive committee, 4/ which ensures the execution of the council's resolutions, as well as of directives issued by higher authorities; as well as co-ordinating and exercising general direction over the departmental executive organs. The board is subordinate to the council, to which it presents reports, and it must act according to the council's directives. The members of the board may be recalled by the council before the end of their four-year term.

Directives concerning the number of members of boards of the various levels of people's councils are established by the Cabinet with the consent of the Council of State. As a rule the number varies from three to ten. The chairman and the secretary of the board, and usually the deputy chairmen also, perform their functions on a full-time basis, for which they are paid monthly, and for the term of their office they are allowed unpaid leave at their regular place of work. The remaining members perform their functions on a voluntary basis, and

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4/ The term "executive committee" is used in this chapter as the translation of the Polish word prezydium.



their employer is not allowed to refuse them the free time, required for the performance of their functions, nor to reduce their wages on that account.

In rural municipalities the chairman is the only full-time member of the board. The functions of the secretary of the board are performed by the chief of the administrative staff, the rural secretary, who is a qualified employee appointed by the board for an indefinite term.

The chairman of the board represents it in its outside contacts and is the official head of all the employees of its departments.

Current administrative work is carried out by the employees of the appropriate departments. Departments are separate agencies of local administration. However, they are subordinate to the board and obliged to act in accordance with its directives. All personnel is engaged and appointed by the board, or by its chairman, and the detailed organization of the departments depends on the board's decision. For certain subject fields a special organization is prescribed by law. For example, commissions are established instead of departments, for local planning. They are headed by a collective body composed of representatives of local organizations and economic institutions. Similarly the board's agencies for physical culture and for tourism are headed by a committee, composed of representatives of interested organizations and institutions. The intention is that in special fields, local administrative agencies should not be headed by one specialist but by a collective body, which is more likely to take into account all the complex interests involved.

In rural municipalities, a single office is established, headed by the rural secretary, instead of different departments, sections or similar organs. The people's council of a small town or settlement may adopt a similar pattern.

For specialized fields of its activities each people's council elects commissions, composed at least of 50 per cent of council members. This enables the council, which convenes only for a few days during the year, to keep in constant touch with the local population and its organizations; to exercise control over local administration and the local economy; as well as over agencies and institutions not subordinated to the people's council; as well as to receive proposals and opinions, based on first hand and detailed examination of particular problems.

Commissions are not composed of employees. They act on a voluntary basis and are subordinate only to their own people's councils. They are not authorized to impose directives upon the agencies or institutions which they control, but may apply, if necessary, to the people's council or to its board to issue appropriate instructions. However, there is a marked tendency for requiring local administrative agencies to ask the commissions for guidance or for an opinion, before taking more important decisions, and to comply with the requests of the commissions.

Every year each people's council adopts its budget and economic plan. The sources of revenue at the disposal of the people's councils are defined by law and special provisions ensure that local budgets are balanced. Apart from some main indices elaborated by the Planning Commission and by the Minister of Finance, in close contact with the interested provincial boards, the people's councils are free to shape their plans and budgets, as long as they stay within the limits of their resources.



More than 27 per cent of state expenditure is covered from local budgets. In particular fields, the role of the people's councils is still more important. Their budgets cover nearly all expenses for communal economy, 70 per cent for agriculture, 93 per cent for education and 84 per cent for public health. Over 81 per cent of the turnover of retail commerce and 93 per cent of turnover of food-stuffs belongs to the establishments, subordinate to the people's councils. Practically everything that is connected with the satisfaction of the every-day needs of the population, or with better utilization of local raw materials and other reserves, lies within the competence of the people's councils. This enables local government to play a decisive role in fostering social and economic development.

With very few exceptions, all administrative decisions concerning individual members of the public, are taken by appropriate departments of the people's councils, usually at the district level in the first instance, and at the provincial level in the second. This is the outcome of the fact that, as a rule, these departments constitute the only field agencies of the ministries.

According to the People's Councils Act, the boards and the departments are doubly subordinated, which corresponds to the general principle of democratic centralism. Each department is subordinate to its board and to the appropriate department at the higher level, up to the appropriate minister; and each board is subordinate to its people's council and to the board at the higher level, up to the Council of Ministers. Differences which might arise are settled by the common superior organ. For example, a difference between directives received by a department of the district people's council from its board, and from the department at the higher level, are settled by the board of the provincial people's council.

Although the subordination of all state agencies and institutions in the field to some people's council constitutes a rule, there are some exceptions to it, justified by the national importance of some agencies or by the special requirements of uniform activity in the whole country. Courts, offices of the Prosecutor, postal and railway authorities, customs offices, banks and key enterprises may serve as typical examples. But even their activity is co-ordinated by the people's councils whenever this is required, in view of the development of the given territory or the needs of the population.

Three general principles of co-ordination are stated in the People's Councils Act. First, state organs, institutions and enterprises, which are not subordinate to the people's council, must submit to the board, at its request, information pertaining to their present and intended activity. Secondly, in order to co-ordinate their activities with the general trend of the activities of local government, the boards may convene meetings of the interested heads of departments with the heads of the agencies which are not subordinate to them, for example, with the president of the court, the prosecutor, the director of the local broadcasting station or the manager of some cultural institution, in order to discuss methods required for preventive action against juvenile delinquency. Thirdly, heads of agencies which are not subordinate to them must obtain the agreement of the boards to any of their decisions, which may be of essential importance for the interests of the local population or for the economic development of the area.

## II. LOCAL GOVERNMENT PROBLEMS

### Local Governments areas

Local government areas strictly correspond to the basic territorial division of the country. Smaller areas, for which no separate people's council is elected, may be helpful in strengthening the ties of the people's council with the general public, but they never rank among units of territorial division.

For example, each rural community is composed of several hamlets, which are natural agglomerations of rural population. It elects its headman as a kind of middleman who represents the interests of the inhabitants before the people's council and transmits the resolutions of the people's council to the local public. Meetings of all the inhabitants are convened by the headman in order to discuss matters of common interest, to understand the activities of the local administration, and to put forward suggestions for administrative improvements. Many of the resolutions of the local people's council cannot be passed unless they have been discussed by such assemblies; some may be passed only upon the motion of such an assembly; some may even require its consent.

A similar role is played in the towns by ward committees, elected by the inhabitants of the neighbouring houses. These ward committees are responsible chiefly for house administration and repairs, but they are being consulted by the local administration on many other problems, associated with the municipal development of the particular urban area and the management of public utility enterprises, which are located in it.

These and similar devices serve to integrate administrative action with the experience and activities of the public; and to find an effective substitute for the representation of local interests in smaller areas than the lowest levels of the territorial divisions.

There is no doubt that important demographic, economic and technical changes have profound influence on the boundaries of local government units and on the competence of territorial agencies. In present circumstances, economic requirements constitute the main factor, which tends to modify territorial divisions. Several reasons could be given to support the trend of steady growth of the basic units of these divisions. However, no changes should be accepted, which might impair the participation of the people in public business.

It is evident that the present differences between units of territorial division are too great. The number of inhabitants in various provinces varies from 700,000 to 3,400,000 the area from 9,500 to 29,400 square kilometres; the number of districts in a province from thirteen to twenty-nine; and the share of a province in national production from 1.7 to 15.4 per cent. It is considered that the provinces should be designed primarily to meet the requirements, which would make them sound economic regions. However, this cannot be done quickly because of the necessity for overcoming local traditions. Moreover, the elaboration of well balanced economic concepts requires time.

The area of districts varies from 330 to 2,230 square kilometres; their population from 20,000 to 180,000. Some districts include forty rural municipalities, and even the present average, which is only eighteen, seems too high.

Before the first elections to the people's councils in 1954, the prevalent opinion was that the major necessity is to bring the local council as close to the rural population as possible, and for this reason nearly three times as many rural municipalities were established, than had existed before. But they soon proved to be too small and economically weak, and the people's councils elected in them had not sufficient business to justify their existence. A reverse trend has therefore developed and from 1958 to 1961 the number of rural municipalities was gradually reduced from about 8,800 to 5,200. Towards the end of 1963 the number of rural municipalities was further decreased by 500, bringing the average area to sixty square kilometres and the average population to 3,300.

#### The structure of local government

The people's council of a province or of city with provincial status, has 80 to 150 members; that of a district 50 to 60; that of a settlement or rural municipality 15 to 27; that of a city 50 to 80; that of a town 30 to 50, and that of a town with less than 5,000 inhabitants 16 to 30. <sup>1/</sup> Within these limits the number of members of a particular people's council is prescribed before the general elections, by the people's council at the next higher level; and the number of members of each provincial people's council by the Council of State. The question whether or not these limits are too rigorous is still debatable. The total number of council members exceeds 170,000, of which over 120,000 are members of people's councils in rural municipalities. It seems doubtful whether such a ratio is reasonable, considering the fact that at least 50 per cent of the population lives in urban areas.

Each people's council may decide the number of its commissions. The average number is four in rural municipalities, eight in districts and eleven in provinces. Each commission must have at least five, seven or nine members, according to the level of the people's council. At least one half of the members of each commission must be chosen from council members.

The total number of council members amounts to some 250,000. To ensure that this large number of council members, and of members of commissions are acquainted with their rights and duties, with the general lines of national policy, with problems related to local development, and with the best methods for the proper accomplishment of their functions, presents a very serious problem. Commissions are not comprised of paid employees and their members are not supposed to be specialists, but the increasing complexity of modern administration, economy and technology requires a considerable amount of basic knowledge and experience, of any citizen who takes part in public business.

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<sup>1/</sup> The figures are prescribed in the People's Councils Electoral Law of 31 October 1957.



The average number of departments, or other agencies with similar status amounts to twenty in the provincial people's councils; seventeen in councils of departments or sections in a district council; and six in councils of towns and settlements, unless they are concentrated into one office, as in the rural municipalities. The employees of these agencies exceed 117,000 in number. The problem of effective personnel administration, especially of recruitment and training, is of growing importance, owing to the constant growth of the tasks of the people's councils and to the rapidly increasing needs of the population for efficient administration.

The problem is all the more complex, since departments of the people's councils direct and supervise the activities of subordinate enterprises and public institutions, such as schools, hospitals, or theatres, with a personnel more than ten times as numerous as that of the departments, and composed to a high degree of specialists and technicians.

#### The statutory basis of local government

The People's Councils Act defines, at the various levels, the responsibility of the people's councils for problems of economic, social and cultural development in the territories for which they are responsible. This general concept is reflected by the following list of typical departments of a provincial people's council, apart from such internal departments as, for example, those dealing with organizational and legal matters: the Provincial Commission for Economic Planning; Departments of Building, Finance, Communal Economy, Water Supplies, Industry, Trade, Transport, Employment, Agriculture and Forestry, Agricultural Deliveries, Education, Culture, Health and Social Security, and Public Order; the Commission for Prices; and the Committee for Physical Culture and Tourism.

The distribution of responsibility among people's councils at different levels is based on the following principles, which are enunciated in the People's Councils Act. The Provincial People's Council and its agencies deal principally with economic co-ordination and political leadership in the province, and its direct management is therefore limited to problems of special importance for the whole province or a great portion of it. For this reason, for example, specialist hospitals, theatres of special importance, might be directly subordinate to the appropriate department of the provincial people's council. Matters directly connected with the satisfaction of current needs of the local population, for example, communal economy in the towns, are supervised by the people's councils in towns and rural municipalities. Most functions which exceed the capacity of the people's councils in towns and rural municipalities are entrusted to the district councils and their agencies.

Authority to issue regulations and ordinances as well as to take administrative decisions in individual cases are defined by laws, dealing with particular fields of the administration. The determining factor in the self-governing position of a people's council is the type of subordinate enterprises and other institutions. These are specified by law, but provincial and district people's councils are authorized to devote part of their prerogatives to the people's councils at lower levels. It is considered that this authorization is not sufficiently used. On the other hand, it is essential



that the recipients of devolved authority have at their disposal the necessary means for their implementation, in the way of funds, manpower, raw materials, and technical aid.

The principal sources of revenue at the disposal of the people's councils are defined by law. 2/

### Central-local relations

Owing to the uniform systems of state organs there is a similarity in the mutual relations between central and provincial organs, and between the territorial organs at the various levels.

General provisions for the use of supervisory authority are contained in the People's Councils Act. In accordance with article 64, the aim of this supervision should be to ensure that activities of the people's councils and their organs are compatible with the law and with the main direction of state policy. Supervision should also assist councils at the lower levels in the efficient execution of their duties. The major importance of the last phrase lies in the fact that the supervising authorities had been made co-responsible for the proper accomplishment of duties assigned to the agencies which they supervise. Hence, supervision embraces not only restrictive measures, but also other services required for the improvement of local government.

Specific service will be discussed in the next section. It should be noted that the word services is used in a very broad sense, comprising measures serving the legality and efficiency of local government; and the improvement of local economy and administration; as well as devices which would make the whole system of local government unworkable, if they were not properly applied. An illustration is the use of central indices, which limit the freedom of the people's councils in shaping their economic plans and budgets. Without indices a planned economy would be impossible; yet with too many, and too detailed indices the position of the people's councils as leading factors in local development would become an illusion. The distribution of national income might serve as another example. Sources of revenue allotted to the people's councils mostly suffice for current expenditure, but not for local investment. For this reason, the state budget adopted each year by the Diet, provides additional sources of revenue to the local budgets of each province.

The basic concept of mutual relations between central and local organs is to give the people's councils the maximum possible degree of self-government, with due regard to the need to serve the implementation of the main line of state policy and national development, as defined at the central level.

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2/ People's Councils Revenue Act of 1 July 1958.

### III. CENTRAL SERVICES FOR THE IMPROVEMENT OF LOCAL GOVERNMENT, EXISTING AND REQUIRED

#### The Supervision of the People's Councils

The People's Councils Act established three different types of supervision: over the people's councils as representative bodies, over their boards, and over their departments. For the first type the main authority at the centre is the Council of State; for the second, the Cabinet; for the third, the appropriate minister or central office. The basic concept is to prevent ministers from exercising direction over the boards, and to prevent the direct interference of the Cabinet with local representative bodies, although in exceptional circumstances there are special provisions to the contrary. Supervision over the boards, may exercise indirect influence on departments, since the latter are subordinate to the boards. For the same reason supervision over the representative bodies may have an indirect influence on the boards and departments.

Provisions for the ultimate supervision, exercised by the Council of State over the people's councils, are nearly the same as those which govern the mutual relations between people's councils of different grades. There are, however, some essential differences. First, the Council of State has specific prerogatives in its relationship to all people's councils in the country. Secondly, certain powers are only within competence of Council of State. Only the Council of State may decide upon general elections for the people's councils; and only the Council has authority to dissolve a people's council. Such dissolution may only take place when the people's council systematically infringes the law or the major direction of state policy. The latter provision has never been invoked, but its mere existence operates as a safeguard. A further example of these relations, is that if the Cabinet so proposes, the Council of State may define in detail the tasks incumbent upon people's councils at the various levels and may assign to people's councils of lower levels the tasks of councils at higher levels.

The Council of State is required to examine the reports of the provincial people's councils and to annul any of their resolutions, which are contrary to law or the major direction of state policy. The Council may call for reports from people's councils at lower levels and may annul their resolutions for the same reasons. It is also required to observe whether elections of boards and of commissions of the people's councils are carried out according to law; and it is empowered to issue directives, which are binding on the people's councils. It is also the duty of the Council of State to take initiatives to secure widespread achievement of successes, similar to those obtained by particularly effective people's councils.

This ultimate supervision by the Council of State is not intended to restrict the people's councils as self-governing bodies; but to protect them against infringement of the law or of basic principles of state policy; and to help them in the proper accomplishment of their duties. Directives issued by the Council of State are for the most part drawn up as guidelines, which bring to the attention of the people's councils certain problems, which may require their consideration. They may also indicate deficiencies in their work and methods in such a way as to help them to achieve an improvement.

The Council of State is primarily interested in the work of the councils as representative bodies, and in the work of their commissions and of council members. It aims at strengthening the role of the people's councils in session, as the guiding element of local government. However, measures undertaken by the Council of State for that purpose are usually associated with achieving some improvement in the solution of local problems, in such cases as agriculture, local production, investments or cultural development.

Current problems of special interest for the people's councils, their commissions and council members, are discussed at meetings of the Committee for the Affairs of the People's Councils of the Council of State. Like the other committees of the Council, this Committee is composed of a few members only of the Council itself, but each meeting is attended by invited representatives of selected people's councils; and of interested voluntary organizations or scientific institutions. Apart from the many reports submitted to this Committee, information presented and views expressed at its meetings assist the Committee to prepare projects for the Council of State, or to adopt guidelines appropriate to particular problems, which are thus brought to the consideration of the people's councils. Although formally not binding, such guidelines prove to be extremely helpful to local government.

Several times in a year the Secretary of the Council of State invites all chairmen of a selected type of commission of provincial people's councils, for example, finance or education commissions, to participate in a meeting to discuss matters in their field, organized with the participation of the appropriate minister and with the chairman, or their deputies, of all the provincial boards. The discussion is focused on current problems, which are restricting the satisfaction of local needs or development in the field of operations, for which these particular commissions are responsible.

The results of these discussions prove instructive both for the ministers and boards of the people's councils and afterwards general conclusions are frequently presented either to the Cabinet or to the Council of State, for further consideration.

Just as a minister has the administrative support of his ministry, the Council of State has the administrative support of its Chancellery. The Head of the Chancellery has the rank of a minister. The Department of the Chancellery People's Councils does most of the preparatory and executive work connected with the ultimate supervision of their activities. The Legal Department of the Chancellery is consulted in more important organizational and legal questions.

The People's Council department consists of some seventeen inspectors, mostly former high ranking officers of local government, who maintain direct contact with the local representative bodies and exercise control in the field, as well as a few experienced jurists or economists who study the reports, prepare analytical and statistical data, as well as the preliminary drafts of guidelines and directives.

The Department receives all the minutes of the sessions of provincial people's councils and this has a direct insight into all their resolutions which include regulations, adopted by each people's councils as part of their internal constitution and plans of work, voted by each people's council for the whole year. Additional information is collected by inspectors in the field. Initiatives,



taken by the Department or particular members of its staff, are not binding, but they normally prove effective. In no case has it been necessary to present to the Council of State a motion to annul a resolution of a provincial people's council. There have been instances where the Department itself, in a written communication, or one of its inspectors in the field has had to explain the legal deficiencies of a resolution, but as a rule the board itself then proposes to its people's council that this particular resolution should be amended or annulled.

The internal bulletin, prepared by the Department and sent for consideration to the appropriate ministers and to all the provincial boards, is of great importance. It reveals difficulties in the proper discharge of the functions of local government and helps to draw general attention to particularly successful achievements. This same function is also accomplished in a much broader sense by the weekly publication, People's Councils, edited by the Chancellery of the Council of State. In its current problems of self-government are explained; specific questions presented for general discussion; and answers given to legal questions, which may have been raised.

Drafts of all central legal acts referring to the people's councils or their agencies, are prepared in consultation with the Legal Department of the Chancellery of the Council of State. Before each general election, it is the duty of this Department to undertake the preparatory and auxiliary work for the State Electoral Commission, chosen by the Council of State.

#### The Cabinet as a supervising agency

The main object of the supervision, exercised by the Council of Ministers over the boards of the people's councils, is to secure that the principal direction of national policy is observed in the local administration and in the local economy; to ensure full co-ordination in the activities of executive organs in the field, responsible for particular areas of administration; and to promote efficient measures to combat unnecessary routine and to enhance the efficiency of the local administrative and economic apparatus.

In accordance with the People's Councils Act the Cabinet co-ordinates the activities of the boards of the people's councils and provides general directives for their work. In particular it:

- (a) Examines the reports of the boards;
- (b) Provides the boards with assistance in the carrying out of their tasks and takes the necessary steps to popularize the achievements obtained by particular boards;
- (c) Adjudicates controversial matters between various boards at the provincial level, or between a provincial board and a minister;
- (d) Evaluates the activities of the boards from the point of view of their conformity with the law and the principal direction of state policy;



- (e) If necessary, on grounds of illegality, annuls their resolutions and suspends from duty particular members of the provincial boards; and
- (f) For the same reasons, suspends the execution of resolutions of people's councils, by submitting the case to the Council of State for decision.

In view of the fact that the boards virtually represent the Cabinet in the field, the supervisory powers of the Cabinet are much more detailed than those of the Council of State. For example, the election of a chairman of the board of a people's council at provincial or district level requires the approval, first of the Council of Ministers, and then of the Prime Minister. The influence of the Cabinet on the elaboration of the local economic plan and budget and on changes in territorial divisions is of special importance.

Preliminary decisions of the Cabinet, with reference to the boards of the people's councils, are taken by its internal organ, the Cabinet Committee for the Affairs of the Boards of People's Councils. The chairman of this committee is the Deputy Prime Minister, in charge of affairs of local administration. Permanent members of the Committee are selected ministers or their deputies, in particular the chairman of the Planning Commission, and the Ministers of the Interior and Finance as well as the Head of the Office of the Council of Ministers. According to the agenda, other ministers are invited, as well as some chairmen of provincial boards. In matters within the competence of the Prime Minister, the decisions of the Committee are final. The Committee plays an important part in the field of co-ordination of the activities of particular ministries and central offices with reference to local administration.

Another internal organ of the Cabinet is its Economic Committee, composed of the Prime Minister and all his deputies, as well as of the Ministers of Finance, External and Internal Commerce, Heavy Industry, Agriculture and Planning. Within the framework of powers delegated to it, decisions of the Council are final, but they refer largely to the subordinate agencies.

Chairmen of the boards of provincial people's councils are frequently invited to attend the meetings of the Cabinet and no central draft of a legal regulation, dealing with people's councils, may be submitted to the Cabinet without having first been presented to all the provincial boards for consultation.

Whenever important problems arise in local administration, all chairmen of the provincial boards are invited to meet with the Prime Minister and appropriate ministers, in order to discuss the best methods of action.

At least once every year, all the chairmen of provincial and district boards, and at times selected chairmen of boards in rural municipalities also, are invited by the Prime Minister to take part in a meeting with members of the Cabinet. Leading representatives of voluntary mass organizations, as well as of the Council of State, usually attend such meetings. The representatives of the local administration raise questions in informal discussions dealing with problems, which may hinder local development or the proper course of current administration. They have an opportunity to present their views and proposed solutions. After the meeting, the staff of the Cabinet Office, with the co-operation of interested ministries, prepares a statement of measures, necessary to be taken. After receiving the approval of the Prime Minister or of a

commission, established to deal with the problem, the measures adopted are brought to the attention of local agencies.

The Cabinet Office, the head of which has the rank of minister, is an auxiliary organ of the Council of Ministers and of the Prime Minister. The preparatory and executive work, connected with the supervision exercised by the Cabinet, is carried out by one of the departments of the Office, the Department for the Affairs of the Boards of the People's Councils. The staff of the Department and their method of operation are similar to those of the Chancellery of the Council of State, but their aim is to assist the boards, as co-ordinating and executive organs of local administration.

#### IV. FINANCE

Nearly all the budgetary revenue is collected by the departments of the people's councils and transmitted to the appropriate bank accounts. Local sources of revenue are defined as follows: A portion of the profits of subordinate enterprises and establishments; income from national property under local administration; payments for public utility services of subordinate establishments; and taxes and rates, defined by law as local. Local taxes and rates may be established by law. A resolution of the appropriate people's council, authorized by law, may introduce taxes and rates or fix the appropriate amount. The law also defines which level of local government is entitled to particular sources of revenue.

When required by law, a people's council, in adopting its budget, may assign a portion of the sources of its own revenue to the budgets of specified people's council at a lower level.

Since for the most part, local sources of revenue do not suffice to cover all local expenditure, the budget voted by the Diet usually defines for each province a fixed percentage of certain sources of revenue of the central budget, as constituting part of the revenue of the provincial budget. This is usually taken from the turnover tax or profits of some key enterprise, located in the province and usually suffices to balance the local budget.

For this reason general equalization grants are now a rare occurrence. The state budget usually provides some small grants for defined purposes of special urgency, such as building residential houses, or investments for health protection and public utility establishments. Grants are also allotted from the central budget in the period of its implementation, whenever this is necessary, in connexion with new tasks imposed on the people's councils or where some special emergency exists.

Expenditures for local investments are fixed in the local budget. Loans may be obtained from the bank only for investment in enterprises, which are shown in the budget, in terms of their net financial results.

An important form of additional funds for local investments, is the obligation of key enterprises and institutions, not subordinate to the people's councils, to participate in the cost of local investments, which help towards their own operation or depreciate more quickly because they are used by these enterprises. For example, a key enterprise is required to cover a part of the cost of a new bridge or power station built by the municipal people's council.

Perspectives for national development over the next twenty years are described in the Perspective Plan. This defines main trends of development, the distribution of forces of production and the use of particular areas for defined purposes. Initial work on the elaboration of this plan is carried out by the planning agencies of the provincial people's councils. This is done for particular regions, with broad participation of local scientists and administrators. The over-all concept for the whole country is formulated by a specialized unit of the Polish Academy of Sciences, and the sectoral and territorial concepts by appropriate ministries or by the provincial people's councils. Projects are constantly revised in accordance with the new developments.

Perspective plans are not legally binding, but should be followed in the preparation of national and local economic plans for five years, and for each year within that period.

Perspective plans also form the basis for more definitive plans for the use of particular areas for specified purposes, under schemes of town and country planning. 1/ General plans of this kind are prepared by local government agencies for a province, for parts of two neighbouring provinces, or part of a province. Some elements of such plans have to be approved by the Cabinet. Regional plans serve a twofold purpose. First, they enable gradual formulation of detailed town and country planning. Secondly, they constitute the framework for decisions concerning the location of investments. General decisions of this kind, that is decisions defining the unit of the territorial division in which the investment is to be located, are taken by the planning agency of the provincial or district people's council, unless in exceptional cases special provisions reserve the decision for the Cabinet or the Planning Commission. As a rule detailed decisions, defining the exact area of investment, are taken by the planning agency of the district people's council.

The national economic plan defines the direction and the proportions of future development in particular fields of activity. The five-year plan constitutes a basis for the development of more detailed yearly plans. The latter define the main data for the next following year. Both types of plans are mandatory.

The financial expression of the yearly economic plan is the budget, which specifies public revenues and the distribution of the total for specific purposes, in accordance with the economic plan.

Each year the Cabinet determines guidelines for the elaboration of plans and budgets for the year following, including binding indices which define for example the amount of production required, the limit for investments or the wages required. These indices, prepared, after consultation with the interested ministries and provincial boards, by the Planning Commission and by the Minister of Finance, ensure that tasks specially important for the national economy are fully taken into account in the development of local plans and budgets, and that projects, determined by the local government authorities on their own initiative, are in keeping with the main trends of economic development. Detailed methods and dates for particular stages of work are fixed by the Planning Commission and by the Minister of Finance. On this basis provincial boards issue directives for their departments and subordinate enterprises as well as for boards at lower levels. In this way indices are distributed among all the planning and budgetary units.

The boards are also informed of the participation of local budgets in the revenues of the central budget, where plans for this have been made.

In the whole process of planning and budget preparation, the ministries and provincial boards are obliged to co-operate, exchanging information concerning the intended economic activities of the ministry in a given area and the planned activities of the people's council in a specific field. Differences are discussed at meetings at the Planning Commission, and where divergencies persist, they are presented to the Cabinet for decision. The Cabinet is responsible for the final elaboration of the economic plan and state budget, which are presented to the Diet.

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1/ The Town and Country Planning Act of 31 January 1961.



## V. HORIZONTAL CO-ORDINATION

In accordance with the People's Councils Act, provincial people's councils are empowered to co-ordinate the economic development of the whole province and to require the co-operation of all key enterprises and other institutions not subordinate to them. The authority under which this may be done, is so varied that only few examples can be offered here by way of illustration. The board may object, for example, to similar investments being undertaken by two agencies, each directly subordinate to a different ministry, and may instead impose one investment, which will achieve the same objective at lower cost. Or the board may object to the inadequate use of certain stores by a key enterprise and may order them to be left for disposal by another public institution. Or again, the board may order that the results of similar experiments, carried out separately in different institutions, should be pooled.

Devices of this kind were first applied through the initiative of some people's councils in heavily industrialized areas, but the benefits achieved have been so evident, that the system was soon introduced on a national scale by law. Its main purpose is to prevent waste of time and money by breaking down what is called ministerial separatism. In fact, many national enterprises, even some located only a few blocks away from one another, used to spend money without paying any attention to the fact that similar needs of both could be satisfied with no additional expenditure. With these new powers the people's councils can speed up the economic development of the region without incurring additional expenditure.

The Executive Order of the Cabinet contains detailed provisions for horizontal co-ordination. Each board of a provincial people's council is now obliged to define, by resolution, areas of general economic co-operation, which appear advisable. After having been approved by the Prime Minister, such a resolution is binding on all the agencies and institutions concerned, although they are not subordinate to the people's council. Similar arrangements may be introduced for the region included in two neighbouring provinces, as well as for part of a province, where this seems specially advisable on account of a concentration of key enterprises, or of peculiar conditions of economic development, for example, in a newly opened mining area.

## VI. LEGAL ASSISTANCE AND OTHER CENTRAL SERVICES, WITHIN THE SYSTEM OF CONTROL

Many laws authorize the people's councils at defined levels to issue executive regulations, such as orders forbidding the sale or service in public of alcoholic drinks on specified days. When it appears indispensable for the maintenance or public order, in cases not regulated by law, each people's council, and in an emergency its board also, are authorized to issue by-laws, ordering or forbidding certain steps to be taken. This is accompanied by some penalty for non-observance. <sup>1/</sup> Both types of local regulations must be promulgated in the Official Journal, published by the appropriate provincial people's council. Technical principles, involved in the formulation of such acts, are prepared by the Office of the Council of Ministers. Any regulation, exceeding the powers conferred upon the people's council by law, would be immediately annulled. All regulations are carefully examined by the legal department of the supervising authority as well as by the appropriate office of the Prosecutor. The latter may lodge a protest or present his observations to the board of the people's council at the higher level, exposing typical deficiencies of local by-laws.

The Office of the Council of Ministers takes great care to define the duties of the legal advisers, acting on behalf of every provincial board and in most of the district and municipal boards of the people's councils; as well as to control their activities and to ensure that they are given any necessary refresher training. Apart from giving legal advice on projects presented to the board, the adviser has to represent the people's council before the courts. Local authorities possess the power to conclude contracts, and can sue and be sued in a corporate capacity.

According to directives issued by the Council of State, the Supreme Chamber of Control and its provincial representatives, must co-operate with the voluntary commissions of the people's councils. The Chamber undertakes several measures of control on behalf of the commissions; presents problems of special importance for their consideration; invites members of selected commissions to participate in some of its control functions; and may also suggest that certain control functions, undertaken by the commissions, should take place with the participation of qualified representatives of the Chamber. At times the Chamber convenes meetings with representatives of commissions in order to discuss the most important directions in which controls should be exercised, and the most effective methods of carrying them out. Some extensive controls undertaken by the commissions over a wide area are of great importance since they are dealing with problems of special significance, and organizational assistance by the Chamber is thus assured. Co-operation of this type enhances the level and efficiency of the work of the commissions, and increases the possibility of the Chamber being in a position to check specific problems in the field.

The provincial representatives of the Chamber are required to inform the provincial boards of the results of the more important measures of control. They take part in meetings, organized by the boards, for the purpose of discussing measures necessary to prevent mistakes and to strengthen discipline in the administrative and economic apparatus. Each delegate is required to present to the provincial, and at times to the district people's council, his observations

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<sup>1/</sup> Statutory Powers of People's Councils Act of 25 February 1964.

in the drafts of the local plan and budget, as well as on the report of their implementation, which is presented to the people's council for approval.

In their relations with other specialized agencies of administrative control, for example, with inspectors of the appropriate ministry controlling finance or trade, the boards of the people's councils may exercise important powers. They may, for example, specify objects or units which have to be controlled by these agencies, although they are not subordinated to the people's council.

The services of banks, at which particular units in the field have their accounts are of essential importance. The bank verifies whether payments from these accounts are consistent with the budget and with the financial provisions. Thus the bank must refuse payment for investments, which have not been approved according to provisions in force.

Services rendered through the control of the prosecutors over the legality of administrative actions are also most essential. Protests, lodged by the Prosecutor, help the boards of the people's council to detect illegal actions of their departments and other subordinate units, and general observations, offered by the Prosecutor enable them to undertake measures to prevent deficiencies in the work of local administration.

Services of a similar character are rendered by the courts. They are obliged to inform the board of the appropriate people's council, whenever they discover, during their proceedings, that certain deficiencies in the work of an administrative or economic agency or institution reduce the protection of national property or safeguards against criminal offences.

An important part is played by the committees of the Diet in the process of bringing to light additional reserves in the local economy as well as of obtaining necessary assistance from central organs. These committees continually strengthen their co-operation with local government, and especially with the commissions of the people's councils. In this way the committees obtain a broader insight into the legitimate requirements of local government and may take appropriate action in the Diet or before the central organs concerned.

General control over the whole state apparatus, including that of local government, is exercised by the public at large through the institution of complaints and proposals, specified in the Code of Administrative Procedure. 2/ Any citizen or organization may present complaints and proposals to every governmental agency or public service. Critical remarks of the press, radio and television are dealt with under the same rule. The agency to which the complaint or proposal is addressed, is obliged to examine the case and to advise the petitioner within a term fixed by law. No effort is spared to combat efforts to limit criticism voiced by petitioners and any attempt by interested civil servants to mistreat the petitioner is punished by prosecution. Every administrative agency or public service has a special office responsible for proper handling of proposals from citizens, and is bound to draw general inferences from complaints from citizens. The head of each office, including ministers, is obliged to receive citizens personally at least once a week. All these devices create broad opportunities for central organs to learn in detail about the services required by local government.

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2/ Code of Administrative Procedure of 14 June 1960.



## VII. SERVICES GRANTED TO LOCAL ORGANS BY MINISTRIES AND CENTRAL OFFICES

In accordance with the People's Councils Act, the supervision of a ministry or central office over subordinate departments of the people's councils consists primarily in giving them specialized assistance and instructions, as well as in exercising specialized control over their activities and in evaluating their compatibility with the law and the principal direction of state policy. Decisions of departments may be waived or altered by the minister only in cases provided by law. Instances, in which this may be done in respect of decisions concerning individual members of the public, are defined in the Code of Administrative Procedure. In dealing with appeals against decisions taken by departments of the provincial people's councils in the first instance, the minister states his interpretation of the legal provisions and this virtually becomes binding for all departments handling a similar case in the future, unless it is successfully challenged by the Prosecutor General.

The employees of the local administration are appointed, promoted and dismissed by the board of the people's council. But the appropriate minister is responsible for securing the training of qualified personnel and for ensuring that the work of civil servants is of the required quality. The minister makes use of the studies of scientific institutions to examine basic problems connected with the subject field for which he is responsible. He takes care that the officers and employees become acquainted with the latest scientific advances, and that organizational improvements and the best methods of work are introduced into his branch of administration.

The minister is responsible for the general standard of this field of operations. He defines basic principles to be followed by all the staff of subordinate units and he prescribes measures to be taken to keep abreast of new developments.

Each minister ensures that within his field of operations assistance necessary for the effective execution of the duties assigned to them is given to the people's councils. For example, the Committee for Science and Technology contributes to the more rapid introduction of technical improvements. The Minister of Agriculture has to ensure that the various measures of state assistance to the peasants is available in time, such as spare parts for machines, reasonably located repair stations, bank credits, qualified seeds or chemical fertilizers. The Minister of Architecture ensures that typical building projects are prepared to make the process of building residential houses quicker and less expensive. The Minister of Transport secures for the people's councils qualified personnel for the repairs and maintenance of highways. The Planning Commission suggests to the Cabinet measures to be taken in order to overcome unexpected difficulties, which arise in the course of implementing economic local plans. The Main Office of Statistics and its field offices, which are not subordinate to the people's councils, collect, prepare and present to the councils all the statistical information required for the direction of local development.



## VIII. CENTRAL SERVICES IN PERSONNEL MANAGEMENT AND TRAINING

The qualifications required for filling specific posts in the departments and sections of the people's councils, as well as the wages appropriate for particular posts, are defined in the executive orders issued by the Cabinet under the People's Councils Act. The status of employees is defined in a separate law. <sup>1/</sup> The scope of the latter is limited to the personnel of the people's councils. The former, to a large extent obsolescent, general civil service regulations have remained in force only in respect of the civil servants in ministries, central offices and their agencies in the field which are not subordinated to the people's councils. This emphasizes the special importance which is attached to the local civil service.

The maximum number of civil servants in local government is established in the budget voted each year by the Diet. This global limit is centrally distributed among provincial people's councils and by these councils among the people's councils at lower levels. Within these limits and those of the wages fund, the actual number of civil servants is shaped by each of the boards of the people's councils. There is a marked tendency for the qualifications required to be raised and for the number of administrative personnel to be reduced.

The establishment of future requirements for qualified personnel in the public service, with global figures broken up into different specialities, constitutes an essential part of economic planning. Drafts of long-range plans in this field are elaborated by the Committee for Labor and Wages.

Within the legally established educational system, the Minister of Education, in co-operation with other interested ministers, defines the types of schools and the training, necessary to produce in due time a sufficient number of candidates for the public service.

Primary, secondary and university education constitutes a recognized pattern and certification of the completion of education of a lower degree is required for advancement to a higher level. However, university studies are preceded by a pre-entry examination, and vocational schools have become more and more prominent in the system of secondary education. The variety of these schools enables students to choose the type of training which best suits the needs of their prospective profession, such as general administration, finance, or industry.

The organisation and curricula of university studies are being substantially changed in order to bring them closer to the requirements of national development. The rigid framework of traditional disciplines is gradually breaking down, because modern education in any specialty requires basic knowledge of certain associated disciplines. University studies are organized within institutions offering a much larger variety of subjects, out of which each student may make his choice, in accordance with the prospective career which he has chosen in the public service. Civic education as well as basic knowledge of public administration is duly taken into account in each curriculum.

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<sup>1/</sup> People's Councils Staff Act of 18 July 1968.

Many devices are being applied experimentally in order to bring the students closer to their prospective employment in the public service. For example, the Cabinet has authorized the boards of the people's councils to establish refunded grants for selected students in their first year, who undertake to work in a specified department, when their studies are complete and choose a curriculum most suitable for their future work. The department guarantees a monthly allowance during the study period and maintains contact with the student, in order to acquaint him beforehand of his prospective conditions of work.

Entry into local service is preceded by apprenticeship, lasting one year and ending with an examination, in accordance with principles established by the Office of the Council of Ministers.

In order to close the gap between actual requirements and the qualifications of the staff already in local service, correspondence courses in administration have been established in every city with a university centre. These provide studies of three years in duration, operated by university professors or eminent practitioners in public administration. Seminars and discussion sessions are given to the participants at occasional meetings in the field. After three years' study the participants may continue for another two years in order to obtain the diploma of Master of Administration, which is equivalent to a university degree.

Most of the university centres organize specialized courses for generalist administrators, so that they may become acquainted with scientific or technical problems with which they meet in their regular duties, or for specialists or technicians, who are already employed, or are hoping to enter, the public service with insufficient knowledge of public administration.

Each ministry, which has field offices is required to prepare curricula and to organize training and refresher training whenever necessary. The Central Training Centres, operated by the Office of the Council of Ministers, holds three to four weeks' residential courses periodically for selected groups of members of the boards of people's councils as well as for managerial staff of local administration. This Centre also co-ordinates courses organized by interested ministries, as well as establishing curricula and training institutional staff for the provincial training centres, operated by provincial boards.

According to an Ordinance, issued by the Cabinet in 1966, it is the duty of the chairmen of the boards of provincial people's councils to establish plans for retraining and for giving supplementary training, which may be required in the local administration. They have also to prepare lists of posts, for which employees must either complete their training or undertake refresher training, in certain specified fields of knowledge.

The training of councillors is given by assistance in various ways, arranged by the boards of the people's councils in accordance with guidelines established by the Commission of the Council of State for the People's Councils.

In effect, the training of councillors begins during the election campaign, because each organization which puts forward candidates, must ensure that they have the basic training required to act effectively at meeting with the electorate during the campaign and later on to deal successfully with their prospective duties as members of the people's councils.

Guidelines established centrally to assist elected councillors define the basic informative materials, which are to be distributed to them, as well as materials, which should be discussed at informal meetings. These take place directly after the first session of the council, and at the first meetings of its committees, for which individual councilmen are chosen. Discussion leaders are mainly experienced officers from the local administration, chosen for this purpose by the board of the people's councils. The main task of the board is to keep the councillors informed about new developments and to furnish them with information concerning the best methods of efficient accomplishment of their duties. Courses of a few days' duration are mostly organized by political and other voluntary organizations, for the members whom they have elected.

## IX. IMPROVEMENT OF LOCAL ADMINISTRATION

Improvement of public administration is a nation-wide problem, but it has special importance for relations between central and local government because a great many improvements of local administration and local economy depends on central assistance. On the other hand, most of the initiative for improvement originates with personnel, most of whom are engaged in local administration. As long ago as 1956, an ordinance 1/ issued by the Prime Minister, obliged ministers and boards of provincial people's councils to issue regulations defining how individual employees should be encouraged to put forward suggestions; how projects are to be evaluated; awards to be granted, and acceptable suggestions made use of.

From 1966 all heads of administrative agencies became responsible for making a yearly evaluation of desirable improvements. 2/ These include better organization and methods; mechanization of the administrative process, including mechanical data processing; simplification of organizational patterns and procedures; and abolition of overlapping functions. Special committees had been established in each ministry for the examination of all these problems, as well as in the provincial and district people's councils with broad participation of invited specialists and representatives of the interested voluntary organizations.

Reports of results, as well as suggestions, concerning matters which are beyond the authority of the reporting agency, must be presented each year at the end of June to the Deputy Prime Minister, who is in charge of matters concerning local government.

In the middle of 1968, the Council of Ministers established a Commission for the Organization of Management. 3/ This Commission has the rank of a central organ of the state administration and deals with organization and methods problems in both administration and economy, mostly in public offices and public enterprises. It is responsible directly to the Prime Minister, who appoints the chairman. Other members are appointed by the chairmen of the Planning Commission and of the Committees for Science and Technology, as well as for Labour and Wages, by the Minister of Finance and by the Head of the Office of the Council of Ministers. Representatives of the Central Council of Trade Unions as well as of the Supreme Chamber of Control are invited to take part in the Commission's meetings.

The Commission develops analyses, opinions, and proposals, as well as first drafts of legal provisions, pertaining to organizational patterns and the distribution of responsibilities, and to personnel management. It collects and distributes information about the latest achievements in organization and methods. Two units, formerly affiliated respectively to the Committee for Labour and Wages and to the Minister of Finance are now responsible to the Chairmen of the Commission: the Principal Centre for Improvement of Managerial Staff, which deals chiefly with problems of personnel management and organization and methods in

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1/ Ordinance No. 322 of 17 November 1956.

2/ Prime Minister's Ordinance No. 77 of 27 December 1966, distributed to all the offices and discussed by the press as well as at meetings with interested public servants.

3/ Cabinet Resolution No. 107 of 16 April 1968.



public enterprises and their unions; and the Establishment for Public Administration, which examines problems of organization, forms, and methods of work in central and local administration.

An essential element in assistance to local government through improvements is the responsibility placed upon every minister and central office to review all ordinances and instructions in force, and to restrict their number in the future. The number of such instructions could be reduced by two thirds. This proved to be of extreme importance for the day-to-day work of the local administration and for its relationship with the public. It was associated with a revision of administrative documentation, forms, certificates and so on, which proved to be far too numerous and complicated.

One of the responsibilities of the Institute of Labour, which is subordinate to the Committee for Labour and Wages, is for the examination of the present system of wages and awards, as well as of other incentives, introduced for the purpose of enhancing the efficiency of administrative personnel.

The impact of many and various voluntary organizations on initiatives undertaken at all levels of public administration is of exceptional importance. Most of these administrative initiatives may be undertaken by central and local organs, only after consultation with, and some only with the consent of, interested mass organizations. The latter also play an important part in the whole process of improving local administration and the local economy. Virtually all personnel in public service, apart from being members of other associations, belong to the trade union of state employees, with the exception of some specialists and technicians who mostly belong to the trade union, appropriate to their profession.

Research in local government problems is carried out both by the institutes of specific ministries, as well as by the universities and the Polish Academy of Sciences. The Institute for Legal Sciences of the Academy, in particular, has a long-range programme of scientific research on the role, methods of work and possibilities of enhancing the efficiency of the people's councils. The results as well as those of more theoretical studies are published in Problems of the People's Councils, a periodical journal of the Academy.

An interesting feature is the growing co-operation of the people's councils with scientists and eminent practitioners in various fields of science and technology. For example, auxiliary scientific committees have been established in nearly every province by the provincial boards for the purpose of obtaining advice on the principal problems of local development. The members of such committees work on a voluntary basis. Their undertaking of the basic directions of provincial development assists them in directing research, which they carry out in their faculties or scientific institutes, in accordance with the most urgent requirements of local administration and the local economy.

## CONCLUSION

It seems unlikely that a detailed set of principles could have universal acceptability in the contemporary world. Yet it appears evident that certain devices, based on the experience of other countries, although technologically advanced, could be most helpful to Governments of developing countries. Central-local relations may serve as a typical example.

For many reasons economic planning is the order of the day in developing countries, which are also interested in overcoming the traditionally passive attitude of the population towards public administration and in getting their active support for the implementation of national development plans, as well as for the proper accomplishment of day-to-day administrative functions. On the face of it, the developing countries should be interested primarily in expanding the functions of local government, because it is the best method of training people in habits of self-government, and secondarily in fostering mutual links between national and local planning, as well as between central and local government. For these reasons the experience of such countries seems to be of special interest, particularly in so far as the concept of self-government and of active participation of the general public in public affairs lies at the root of the whole structure of the political and economic organization of the state.

It seems essential that each unit of local government should feel responsible for local and national development. One of the prerequisites of such an attitude is the joint responsibility of the central organs for the proper accomplishment of duties assigned to local government. In consequence, assistance for local government should constitute an essential element of the supervisory function, exercised by the appropriate central agencies.

The authority and duties of local government should be clearly defined by law. It is essential that coercive powers of the supervising authorities should be made use of only in cases of emergency.

The process of decentralization should gradually be continued, in so far as it is compatible with the requirements of national policy and with the readiness of the local administration to take over new obligations.

The participation of the public in local government is fostered by strengthening the role of the representative organs within the whole organization of local government. Experience shows that people are not likely to be interested in public affairs, unless they become convinced that their participation may have a decisive effect on local development and on the level of administrative services.

Even highly developed decentralization does not eliminate agencies and institutions in the field, which are not subordinate to the local government. Key enterprises may serve as a typical illustration. Unless extended powers in respect of such units are conceded to local government, the latter can neither be held responsible for the development of their area nor can they overcome the ministerial separatism which leads to overlapping of functions and unjustified expenditure.

Sources of revenue, left to the disposal of local government, should be defined by law and should be adequate for the accomplishment of duties assigned to local authorities. It is important that the freedom of local government units to shape their plans and budgets should be limited by the central organs, only in cases provided by law; and only to a degree justified by the requirements of national development. In emergency cases, central organs should be made responsible for the provision of additional funds.

The importance of efficient control increases in proportion to the growth of national property and of the responsibilities of local government. The duties involved exceed by far the capability of any system of step-by-step control. It seems advisable that the public at large should be induced to take part in mass controls on a voluntary basis and that the centrally managed system of professional controlling staff should co-operate closely with this voluntary control, according to centrally defined rules.

Profound changes connected with actual and intended economic development, as well as the implications of scientific and technical progress, make it imperative to consider the modernization of the territorial division. The concept is to be developed at the central level, with broad participation of the specialists and representatives of local government. Modern boundaries should suit the purpose of reasonably defined economic regions, without impairing the participation of the local population in public affairs. The latter puts a limit to the enlargement of the units of territorial division at the lowest level. At the higher levels, co-operation of local government agencies seems more advisable than amalgamation.

Local government is strengthened when supported by additional forms of self-government, such as ward committees in urban, and headmen in rural, areas.

The centralization of supervisory powers in a single central office gives rise to a number of reservations, because problems connected with well-expanded local government are too varied and complicated. It seems right for these powers and responsibilities to be distributed among functional ministries and other central institutions, provided that there is a central agency which deals with the general concept of supervision and is in a position to impose the implications of this concept on the ministerial and equivalent offices.

Correct central-local relations should be developed on a broad basis of mutual contact and consultation. On the one hand, central directives should be based on information collected in the field and discussed with the representatives of local government. On the other, it is vital that local representatives should understand that they have ample opportunities to be heard at the central level and to exercise an influence on central directives.

Except in unusual instances, it is advisable to frame directives as guidelines, which are far from detailed instructions, and strengthen the feeling of local representatives that they are assisted, and not under arbitrary control.

It is useful to submit the principal issues for popular discussion. The principle, adopted in Poland, that each legal project belonging to local administration is discussed with all the boards of the provincial people's councils before being presented to the Cabinet, seems to be a correct one.

The improvement of local administration should constitute a continuous process based on the principles enunciated in the preceding section.

Research in local government should be decentralized, and carried on with the broad participation of scientific centres and voluntary organizations. Direct co-operation between local government and scientific centres is to be encouraged.

Personnel management should be based on a law defining the status of the local personnel and the qualifications required for particular posts. It is essential to establish a system of incentives, in order to foster stability of employment in the local service and the voluntary improvement of professional qualifications by each individual.

The general system of education should be designed with due consideration for prospective needs for qualified personnel in the public service. The more pressing the needs, the more justified is the responsibility of the state, both for pre-entry training, retraining and refresher training. In such a situation especially, there should be viability in the educational system. There is a pressing need for making the curriculum more in keeping with the requirements of national development. Special provisions are required for training chief officers in rural municipalities and councillors.

In the whole process of offering central services to local government, the co-operation of voluntary organizations is of special importance. They are capable of exercising a positive influence on their members, employed in local government, of strengthening the links between local authorities and the public, and of suggesting to central organs concepts, effectively based on the examination in depth of local requirements.



## ROMANIA

Professor Ion Vintu<sup>\*/</sup>

### I. GENERAL CONSIDERATIONS

#### Constitutional system.

Romania is a socialist republic, a sovereign and independent state of the working people of the towns and villages, in which all power belongs to the people, who are free and masters of their destiny 1/. The power of the people is founded on the worker-peasant alliance. The working class, the leading class of society, the peasantry, the intellectuals and the other categories of working people, without distinction as to nationality, work in close association to perform the tasks of the state.

Before 23 August 1944, the date of the liberation and the beginning of the revolution which culminated in the creation of the socialist state, there had been three constitutions in Romania: those of 13 July 1866, 29 March 1923 and 27 February 1938. With the exception of the 1938 Constitution, which was the constitutional instrument of the royal dictatorship, the earlier constitutions provided for a system of government by constitutional monarchy, in which the state was organized in accordance with the principle of the separation of powers.

From the constitutional viewpoint, the period from 23 August 1944 to 30 December 1947 was one of transition, during which the Constitutions of 1866 and 1923 were revived and adapted to the needs of a new, democratic state structure. The constitutional laws of 30 December 1947 abolished the monarchy, abrogated the earlier Constitutions and completed the transition to the people's democratic republic or socialist state.

The three Constitutions of 1948, 1952 and 1965 reflected the changes which had been brought about during the revolution, and at the same time created the basic legal framework for economic, social and political development.

The fundamental principle of the social and state structure is that the people, conceived as a sociological reality including all social classes and categories, that is to say, the people as a whole, is the sole custodian of sovereign authority.

This principle is reflected in the indivisibility of authority, which belongs to the entire people, and in the completeness and sovereignty of this authority, which at both domestic and international levels precludes any interference by a foreign power in the political or the economic activities of the socialist state.

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1/ Articles 1 and 2 of the Constitution.

The indivisible authority of the people is comprehensive in the sense that the socialization of the means of production and the establishment in the Constitution of socialist ownership of the means of production, as the sole basis of the socialist economy <sup>2/</sup> have made the people as a whole the repository and the sovereign custodian of authority in the economic as well as the political sphere. The Romanian socialist state has thus, on behalf of the people, acquired a dual status, as the custodian of authority and as the owner of the socialist state property. This dual status, which is recognized in the Constitution, means that the state is responsible through its various organs for political, administrative and socio-cultural activities and for the organization, planning and direction of the national economy. At the same time, through its agencies and institutions, it is itself involved in directly productive economic and socio-cultural activities. The planning of economic, social and cultural activities has been adopted as a constitutional principle of the state structure, and planned management of the economy is considered as an essential and inalienable attribute of state sovereignty.

The Constitution provides for representative government since article 4 states that "The people, the sovereign holder of power, shall exercise it through the Grand National Assembly and through the people's councils".

However, this system of representative government has certain specific features relating to:

- (a) The position and role of the party of the working class, as the governing party, in the life of society and of the state;
- (b) The nature of the electoral system;
- (c) The integrated system of state organs, based on the supremacy of the supreme organ of authority and the subordination to it of all other state organs; and
- (d) The combination of representative democracy with some forms of direct democracy.

Representative government functions in the manner provided for in article 3 of the Constitution, which states that the leading political force of the whole of the society is the Romanian Communist Party. As the leading force of the whole society, the Party exercises political leadership over state and social organs and organizations, following the principles and methods characteristic of democracy. In close liaison with the people and in continuous consultation with the masses, the Party formulates policy and decides on the measures necessary for its implementation. It does not, however, take the place of the state organs and organizations; and this indicates that the exercise of political leadership does not reduce the role of the representative organs and the other state organs and does not limit their right to exercise their powers. Political guidance is provided by the Party in order to improve the methods applied for organizing and developing state activity and to strengthen the democratic principles underlying

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<sup>2/</sup> Article 6 of the Constitution.

the activity of the state, as well as to encourage an increasing number of citizens without distinction, whether or not they are Party members, to take part in political life and in the activity of the state organs.

In accordance with the provisions of the Constitution, the people exercise authority through the representative organs, the Grand National Assembly and the people's councils, elected by universal, equal and direct suffrage and by secret ballot. With the exception of the insane, the mentally deficient and persons deprived of this right for a period fixed by the sentence of a court, all citizens who have reached the age of eighteen have the right to vote and all those who have this right and have reached the age of twenty-three years may stand for election, regardless of their nationality, race, sex, religion, level of culture, social origin or period of residence. The main features of the electoral system are that citizens have the right to nominate candidates through social organizations and to organize the elections through electoral commissions; that representatives are accountable to the electors and that the electors in a given electoral district may at any time recall the representative whom they have elected.

All the state organs form part of an integrated system and carry out their activities under the general direction and supreme control of the Grand National Assembly, the supreme representative organ.

The basic principles, which ensure unity of action and the democratic organization and operation of the state apparatus, are democratic centralism and collective administration. Democratic centralism means the subordination of all state activity to the supreme representative organ and the combination of centralized administration, based on the single national plan, with wide participation by citizens in the central and local leadership of state organs. The principle of collective administration is an expression both of the democratic form and the specialized nature of administration throughout the entire state apparatus. Administrative functions are exercised by collegiate bodies, consisting of representatives of the agency and of the trade union concerned, and also of specialists and persons with experience in the work of the agency.

Representative democracy is combined with certain features of direct democracy. In social organizations, public assemblies, factory meetings and other gatherings, members of the public discuss problems concerning the state plan, draft laws of major importance, economic and social questions and other matters. They submit proposals and initiate projects of value to society. Some of the social organs also have jurisdictional functions.



## II. STRUCTURE AND LEVELS OF AUTHORITY

Romania is a unitary state, divided for administrative purposes into territorial units: thirty-nine departments, 1/ 236 towns and 2,706 rural communes. Towns which are of special importance to the departments and to the country as a whole from the economic, socio-political and cultural standpoint and have a large population, are declared by special laws to be principal towns (known as municipii), whose organs have broader powers.

The city of Bucharest, the capital of Romania, has a special system of administration owing to its area (604 square kilometres), its population (more than 1,300,000) and its importance as the country's main political, economic, cultural and scientific centre. It is divided territorially into eight districts, and has twelve suburban communes.

The Romanian Socialist State is organized on the basis of the principle of the single and indivisible authority of the people and not on that of the separation of powers. Each category of state organs, the organs of state power, the organs of administration, the judicial organs and the organs of the Procuratura 2/, has a special function to perform in the exercise of this authority.

The organs of power are divided into two categories: supreme and local.

The supreme organs are the Grand National Assembly and the State Council.

The Grand National Assembly, composed of 465 members, is the supreme organ of power and the sole legislative organ; the other organs of the state act under its direction and control.

The Grand National Assembly elects and recalls the State Council, the Council of Ministers, the Supreme Court and the Procurator-General, and controls their activities. It controls the activities of the Supreme Court by studying the reports submitted to it by the Court and by reviewing judgements having the force of directives which, as interpretations of the law, are subject to annulment by the Grand National Assembly. The supreme organs of authority also control the activities of the people's councils.

As the sole legislative organ, the Grand National Assembly is alone entitled to pass laws. The Council of Ministers may issue ordinances (regulations) only within the framework of the law. There is no provision in the Romanian Constitution for the promulgation of legislative decrees or for the delegation of authority to enact laws.

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1/ The average size of a department is 6,100 square kilometres (the total area of the country is 237,500 square kilometres) and the average population is over 450,000 inhabitants (the total population of the country is twenty millions).

2/ The Romanian title Procuratura has been retained, since this department of the state administration includes more than the Procurator-General's Office.



Control of the constitutionality of laws is exercised exclusively by the Grand National Assembly which for this purpose elects, for a period equivalent to its full term, a Constitutional Commission. Two thirds of the members of this Commission are members of the Assembly and one third consists of outside experts. The Constitutional Commission verifies the constitutionality of laws and submits reports to the Grand National Assembly, either at the request of the organs specified in the rules of procedure of the Grand National Assembly or on its own initiative.

The Grand National Assembly holds two regular sessions each year and may be convened for special sessions on a motion from the State Council or by at least one third of the total number of members. The Grand National Assembly has nine standing commissions which prepare reports on draft laws, draft decrees having the force of law and other matters referred to them by the Officers of the Grand National Assembly. They may also from time to time or in connexion with some specific problem, depending on their terms of reference, consider information on their activities supplied by senior officials of any administrative organ, the office of the Procurator-General or the Supreme Court.

The second supreme organ of power is the State Council, which consists of a president, four vice-presidents and twenty-two members, and is elected by the Grand National Assembly from among its members. The State Council elects one of its members as secretary. It is a supreme organ in continuous session: it is subordinate to the Grand National Assembly and responsible to it for all its actions. It discharges, on a standing basis, all the functions assigned to it in the Constitution, functions which correspond to those of the Head of State in western countries. Between the sessions of the Grand National Assembly, the State Council exercises general direction and control over the activities of all state organs. During these periods it may issue decrees having the force of law. However, since the Grand National Assembly is the sole legislative organ, these decrees are only provisional and their legal effect lasts only until the next session of the Grand National Assembly, when they have to be submitted to it in accordance with the procedure for the adoption of laws. The state national economic plan, the budget, and the final accounts of the financial year may be approved by the State Council only if the Grand National Assembly is prevented from meeting by exceptional circumstances. Amendments to the Constitution may be made only by the Grand National Assembly.

The local organs of power are the people's councils in departments, principal towns (municipii), towns and rural communes, which within the framework of the law, direct local activities and organize the participation of the public in the management of state and social affairs at the local level.

One democratic feature of the organization of the state is the continuing expansion of the role of the organs of authority. For example, in recent years, the difference between the activities of the Grand National Assembly as the sole legislative organ, and those of the State Council, which is responsible mainly for the direction and control of the activities of state organs, has become more pronounced. Sessions of the Grand National Assembly now take place more frequently and last longer. The standing commissions also take part in the work of the State Council and their responsibilities are much wider. The most recent amendments to the Constitution and to the rules of procedure of the Grand National Assembly, introduced in March 1969, entrust the standing commission with the task of examining and discussing draft laws, decrees, decisions and other enactments, and any other

matters which may be referred to them by the Grand National Assembly or the State Council.

Furthermore, when so instructed by the same supreme organs, the Standing Commissions may from time to time, or in connexion with some specific problem, depending on their terms of reference, consider reports by senior officials of any administrative organ, the Supreme Court or the Office of the Procurator-General on the activity of those organs. They may also consider reports by the chairmen of the executive committees of people's councils on the activities of those councils, and examine the manner in which these organs are giving effect to state policy and applying the provisions of the law.

The recent amendments to the Constitution and to the rules of procedure of the Grand National Assembly have also widened the terms of reference of the Constitutional Commission which, when so requested by the Grand National Assembly or the State Council, submits reports on the constitutionality not only of laws but also of decrees having the force of law, and even draft laws and decrees. The recent Act (26 December 1968) on the Organization and Procedures of the People's Councils, has endowed these bodies, which are the local organs of power, with considerable autonomy. They now direct all local state activities. They promote the comprehensive and all-round economic, socio-cultural, and administrative development of local districts. They safeguard socialist property, protect the rights of citizens, support the activities of co-operatives and maintain socialist legality and respect for law and order.

The administrative organs are also divided into two categories: central and local.

The supreme organ of administration is the Council of Ministers which includes among its members the ministers and heads of other central organs of administration as specified in the Constitution, together with representatives of the most important social organizations, namely, the President of the Central Council of the General Congress of Trade Unions and the President of the National Union of Agricultural Producer Co-operatives, as well as the First Secretary of the Central Committee of the Union of Communist Youth. As supreme organ with general responsibility for the administration, the Council of Ministers exercises general control over executive activities throughout the country. Its main functions are to establish general measures for organizing and ensuring the implementation of the legislation, and to direct, co-ordinate and control the activities of ministries and other central administrative organs.

The ministries are the central organs, which give effect to state policy in the various spheres or branches of the administration. In addition to the ministries, there are other central administrative organs, known as state councils or committees, directorates general, state inspectorates and so on.

The local organs of administration are the executive committees of people's councils, which are organs with general competence and consist of deputies elected by the people's councils and by the specialized local organs of administration.

As local administrative organs, the executive committees are responsible, within their respective territorial administrative units, for giving effect to laws, decrees of the State Council, decisions of the Council of Ministers, orders

issued by the ministries and other central administrative agencies; as well as decisions taken by the people's councils and the executive committees at the next higher level and by the people's councils, which have elected them. The executive committees direct, guide and co-ordinate the activities of executive committees at the next lower level, and also the activities of specialized local organs of administration, economic organizations and local state sociocultural enterprises and institutions; and they create the conditions necessary for a continuous development of the activities of such organizations. They are responsible for the registration of births, deaths and marriages, and also act as guardians, for the protection of minors and persons of unsound mind. They exercise the rights enjoyed by, and comply with the obligations incumbent upon, departments, principal towns, towns or communes in their capacity as legal personalities.

The executive committees have a simplified administrative machinery, consisting of directorates, inspectorates and services.

Each specialized local administrative agency deals with a different branch of local administration. These agencies are attached to the executive committees, and their main task is to co-ordinate the activities of socio-cultural institutions, economic organizations and undertakings of local interest; but they are also entitled to transfer between these organizations any state property for which they are administratively responsible.

The judicial organs are the Supreme Court, the departmental courts, the local courts and the military courts.

The departmental courts and local courts hear civil and criminal cases and any other cases legally within their jurisdiction. They exercise control, where the law so provides, over decisions taken by administrative or civic organs having jurisdictional functions. They hear petitions from individuals whose rights have been violated by administrative acts and they may, in so far as the law provides, rule on the legality of such acts.

The Supreme Court exercises general control over the judicial activities of all the Courts. At its plenary sessions, it issues decisions having the force of directives, with a view to ensuring uniform application of the law in all judicial activities.

Relationships between the judicial organs and the local administrative organs are expressly defined in the provisions of the Constitution and in the Acts concerning the Organization of the Judiciary and concerning People's Councils. They are based on the principle stated in article 104 of the Constitution that judges and people's assessors shall be independent in their judicial activities. The Constitution states explicitly that they shall be subject only to the law.

These relationships are evident in the procedure for the election and removal of judges and assessors. The presidents of the departmental courts and the President of the Bucharest City Court, the judges in all these courts, the magistrates in local courts and the people's assessors are elected, on the proposal of the Minister of Justice, either by the people's council of the department concerned, or by the people's council of the city of Bucharest, as the case may be, for the full term of the people's council itself, that is for four years. They are subject to removal under the same conditions and by



the same people's councils. The presidents of the departmental courts and the President of the Bucharest City Court are required to submit, to their respective people's councils, annual reports on the situation in the departments and in the city of Bucharest, in so far as their functions are concerned. 3/

The relationships referred to above include the competence of judicial organs to hear petitions from individuals and legal personalities whose rights have been violated by unlawful administrative acts, and also to set aside such acts and to award damages. 4/

The organs of the Procuratura are the Office of the Procurator-General, the offices of the departmental procurators, the offices of the local procurators and the offices of the military procurators.

The activities of the organs of the Procuratura are designed to strengthen legality and the social and state structure, to protect socialist property and to safeguard the legitimate rights and interests of all persons, without discrimination.

The main functions of the organs of the Procuratura are:

- (a) To ensure that offenders are prosecuted and to supervise criminal prosecution proceedings;
- (b) To authorize, approve or nullify actions and measures taken by the criminal prosecution organs;
- (c) To ensure respect for the law in places of detention, and to supervise educational and security measures;
- (d) To consider petitions and claims from prisoners and to decide on the necessary measures in cases of unlawful imprisonment or other illegal actions;
- (e) To ensure respect for the law in all cases which are brought to court, and in the execution of judgments or other decisions with executive force; and
- (f) To deal with claims and complaints of illegal action and to take steps to establish legality in cases where there is no provision for jurisdictional proceedings.

The organization and operation of the organs of the Procuratura are based on the principle that the procurator is entitled to perform the functions assigned

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3/ Article 80 (6) of the Constitution, articles 43 and 49 of Act No. 58/1968 concerning the Organization of the Judiciary and article 16 (a) of Act No. 57/1968 concerning the Organization and Procedures of the People's Councils.

4/ Article 96 of the Constitution, Act No. 1/1967 on the delivery of judgments by judicial organs in actions brought by persons whose rights have been violated.



to him in accordance with the law and the decisions taken by organs at a higher level, and that he is independent of other organs and has no authority to interfere in their work.

The relationships between the organs of the Procuratura and the local people's councils are based on the right of the departmental people's councils and the people's council of the city of Bucharest to elect the chief procurators of these territorial administrative units and also on the fact that the procurators are obliged to submit annual reports to the councils on the situation in their areas in so far as their functions are concerned. This does not mean, of course, that the procurators are subordinate to these organs. As already explained, the organs of the departmental and local Procuratura are independent of local administrative organs, and may not themselves interfere in local state activities.

### III. RELATIONS BETWEEN CENTRAL AND LOCAL AUTHORITIES

Relations between the central and local authorities <sup>1/</sup> are governed by a combination of historical, economic and socio-political factors. It is the historical factors which have led to the adoption of certain useful traditional institutions and practices, and have given these institutions a new content appropriate to the present stage of the development of the society. Economic factors require that the economic backwardness of certain areas and localities should be overcome by an equitable territorial distribution of labour and the socialization of ownership of the means of production, and also by developing local wealth and resources and increasing the profitability of economic units.

The socio-political factors include increased rural migration to urban areas, unequal levels of socio-cultural development in different territorial administrative units, the material and intellectual level of living of the rural population as compared with that of the urban population, the need for united action by all state organs in order to achieve the principal objectives of state activity, a continuous increase in the people's material and cultural welfare, the preservation of human freedom and dignity, and the affirmation of all aspects of human rights as well as increased autonomy at the local level and a strengthening of democracy in the life of the society and of the state.

The combined effect of these factors is reflected especially in the new laws concerning the administrative organization of the country and the organization and procedures of the people's councils.

It is clear from preparatory studies and from the provisions of the legislation itself, that the main objectives of the administrative and territorial reorganization are as follows:

- (a) Rational distribution of labour in order to ensure the economic development and socio-cultural advancement of every area and locality in the country and to solve the increasingly complex problems arising in the society;
- (b) Improved technical, economic and social facilities for urban and rural development, in order to raise the material and intellectual level of the population, to increase the speed of progress of the less developed towns by industrialization, to create the necessary conditions for progress in the communes, in order to satisfy the requirements of the rural population and accelerate the process of raising its level of living more closely to that of the urban population;
- (c) Increased local autonomy, to be achieved by increasing the local revenue of local communities, by giving local organs a more important role in the solution of all local problems and by increasing the participation of citizens in local state activity; and

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<sup>1/</sup> Central authority is exercised by the supreme organs of authority (The Grand National Assembly and State Council) and by the Council of Ministers, ministries and other central agencies of administration. Local authority is exercised by the people's councils and their executive local committees.

- (d) Strict enforcement at the local level of the national state policy in order to ensure that all citizens, without distinction as to nationality, race, sex or religious belief, actually enjoy equal rights in every sphere of economic, political, legal, social and cultural life.

The new Act concerning the Organization and Procedures of the People's Councils also indicates how important the factors mentioned above have been in developing local autonomy and expanding the role of the people's councils not only in local administration, but also in the activities which they undertake either directly or in co-operation with the central organs in order to serve the interests of the whole country. For example:

- (a) All the activities of the people's councils are designed to promote the advancement of the socialist order, the proper management of material and labour resources, the development of productive forces, the diversification of the local economy, the continued improvement of the material and spiritual well-being of the population and the protection of human rights.
- (b) The activities of the people's councils are based on the principles of socialist democracy, which means that all citizens may take part in discussions on local public and social affairs and in the implementation of decisions and measures adopted by the people's councils.
- (c) The people's councils are responsible for applying national state policy in their territorial areas and for ensuring that all citizens, irrespective of their nationality, have equal rights in all matters. In territorial administrative units with a population whose nationality is other than Romanian, the local organs include an appropriate number of citizens of that nationality; they use the language of that population, in addition to Romanian, in their discussions and documents, and they appoint as officials either qualified persons of that nationality or citizens acquainted with the language and way of life of the local population.
- (d) The people's councils settle problems of local interest in accordance with the general interest and ensure that the laws and directives issued by higher organs are respected.
- (e) The people's councils investigate all economic and social-cultural problems of local or national importance in their territorial administrative units, and they take part in working out the necessary measures to achieve success in this field. If the opinion of the people's council differs from that of a central organ, the Council of Ministers is informed. The people's councils submit proposals concerning the location of enterprises of national importance, with a view to making the best possible use of material and labour resources and solving the economic and social-cultural problems of their territorial administrative units. They promote co-operation between local organizations and national organizations operating in their administrative areas; and, in co-operation with specialized central organs, they help to settle management and social problems affecting the work of national organizations.

- (f) In co-operation with independent organs, organizations, enterprises and institutions, the people's councils deal with questions of common interest relating to every aspect of the development of their territorial administrative units.

Local administrative organs play an important part in economic, social and cultural development, and contribute to the preparation of studies for the national economic plan. The competent central organs may not take decisions on the location or construction, in individual departments, of national economic organizations, enterprises or socio-cultural institutions, without the agreement of the departmental organs; and this agreement is contingent upon the provisions of the programme for physical planning and the rational utilization of material and labour resources. The local administrative organs submit proposals and take measures to increase industrial production and ensure a rational use of industrial capacity, proper exploitation of local resources, diversified output and an increase in the resources allocated to local authorities to meet the requirements of the population. The national budget and local budgets are prepared and implemented in parallel with the economic plans, since the budgets provide the financial resources needed for achieving the objectives of the plans. Local economic plans and budgets are incorporated in the state plan and budget.

It should be noted that, because of their wide range of functions, the organs of local administration are in an excellent position to ensure the all-round development of their communities and promote local autonomy, while the territorial administrative units can make an active contribution to the economic, social and cultural progress of the whole country.

On the basis of the general indicators approved in the state economic plan and budget, the organs of local administration adopt the local economic plan and budget and are completely free to take decisions on all matters concerning their implementation. The local organs also establish and manage economic organizations and enterprises, educational, cultural, art and health institutions, as well as specialized institutions dealing with local labour and social welfare problems; and they are also empowered to take measures to develop agriculture, trade projections, construction and physical planning.

In order to facilitate the achievement of the objectives of local economic plans, the funds and material resources allocated to the people's councils are being increased year by year. The councils are co-ordinating the work of over four hundred local industrial and communal work enterprises, which are producing and increasing volume of goods and services for the population each year, thus meeting the economy's requirements for products which do not lend themselves to mass production or are bulky to transport, such as building materials, furniture, food products, cement, bricks, gravel and so on. The local organs also have building enterprises, which account for about one quarter of their total production. Special mention should be made of the important role played by these organs in carrying out the programme for the construction of housing and social and cultural centres, municipal public works and other public utilities, all of which ensure a steady improvement in the facilities and amenities available in local areas.



The results of all these activities are confirmed by the figures for the income of the territorial communities themselves, income which pays for 80.3 per cent of the local budgets and is derived from local productive activity. Taxes on the personal income of the population represent a negligible proportion. The results are also confirmed by the development of local social and cultural activity, and by the number of locally employed wage-earners (one fifth of the total working population).

#### IV. PROBLEMS OF LOCAL ADMINISTRATION

The new system of organizing and developing local administration is only now beginning to be tested and the new local organs were only elected in March 1969. It would therefore be inappropriate to make any evaluation on the efficiency of local administration or to indicate any improvements which may be needed. Nevertheless, it is expected that some such improvements will be necessary, and measures have been prepared for perfecting this organizational and functional system, which is designed to develop the territorial communities and promote local autonomy; to provide better material and spiritual conditions for the population; and to intensify the democratization of state organization.

The first problem is that of organizing, guiding and providing proper support for local administrative organs to enable them to fulfil their vitally important role. As indicated later, both the specific legislation and the general principles underlying the integrated system of state organs, imply certain relationships of subordination, direction, assistance, control and co-operation between the local and central administrative organs. However, as the Grand National Assembly functions only when it is in session, it cannot provide regular and continuous direction and control over the work of the people's councils. Accordingly, it has been recommended that the State Council, which already has the right (under article 64 (8) of the Constitution) to review the legality of decisions of the people's councils, should also be empowered to issue instructions to the people's councils, but not to direct their activities, a function which belongs only to the supreme representative body. To this end the establishment of a specialized body within the State Council has been proposed.

Another important current problem is that of accelerating the preparation of physical planning programmes and plans for the expansion of towns and communes. There is, of course, a close relationship between the state plan and the physical planning programme, since the latter is complementary to the state plan, and is designed to solve all problems relating to the location and development of industrial enterprises and social and cultural centres, the construction of housing for the growing urban population, and the provision of land for urban growth. During the last twenty years a great deal of effort has been devoted to the preparation of town plans. In 1938, for instance, only six towns had town plans, whereas thirty years later 181 towns out of 236, have outline plans which will be supplemented by detailed plans for the development of localities and by technical and economic studies on ways of providing technical and municipal facilities.

Rural planning calls for large-scale studies, particularly since the recent boundary revision, which substantially reduced the number of communes from 4,257 to 2,706. The executive committees of the departmental people's councils have important responsibilities in this sphere, and detailed studies are therefore being organized, of all the factors affecting rural planning and of the ways of providing the communes with all the technical and municipal facilities they require.

Another problem which will probably be solved in the near future is the possibility of co-operation between rural communes in carrying out operations of common interest. At present this co-operation is possible only in the case of social work which is undertaken with the voluntary assistance of the population of the communes.

Similarly, close co-operation is essential between the local administrative organs and co-operative organizations, particularly in rural communes, in order to ensure that there are enough handicraft workshops and public service units to meet the needs of the population.

Another problem on which initial action has already been taken, by establishing a special department in the Faculty of Law at Bucharest and by arranging training courses, is the problem of training the technical, administrative and specialized personnel, required for local administration, particularly in the rural communes.

## V. EXISTING CENTRAL ORGANS AND REQUIREMENTS FOR THE IMPROVEMENT OF LOCAL ADMINISTRATION

In considering this question it is necessary first, to examine the main features of the organization and operation of the state apparatus, and to consider their consequences.

As has already been pointed out, all state organs form part of an integrated system subject to the general direction and control of the Grand National Assembly. Furthermore, each category of state organs, the organs of sovereign authority, of the administration of the judicature and of the Procuratura, constitutes a separate system in itself, each with its own supreme organ of direction and control: the Grand National Assembly, the Council of Ministers, the Supreme Court, and the Office of the Procurator-General. Lastly, the local organs of power of the territorial administrative units, the people's councils, direct and control local state activities, that is to say, the activities of administrative agencies, enterprises, economic organizations and state socio-cultural institutions.

The existence in an integrated system of state organs under the supreme direction and control of the Grand National Assembly, as well as the existence of individual systems for each category of state organs, implies that each category is in its own way, according to the type of state activity it performs, subordinate to the Grand National Assembly, and between sessions of the Assembly to the State Council. Each organ, too, is subordinate to organs at a higher level in the hierarchy, up to the highest organ in each category.

Under this hierarchical system, the higher organs direct, guide, support and control the activities of the organs subordinate to them. However, they cannot take the place of the subordinate organs or perform their functions for them, since each organ enjoys operational independence, that is, the right to perform the functions assigned to it.

Thus, the Grand National Assembly exercises general direction and control over the activities of all state organs, and between sessions of the Assembly, the State Council performs these functions, within the limits established in the Constitution, by adopting laws and taking decisions, through standing and ad hoc commissions, and by virtue of the right of members to put questions or address interpellations. Debates on interpellations may, if the Grand National Assembly deems it necessary, conclude with the adoption of a resolution on the question raised. The Constitution expressly empowers the Grand National Assembly to exercise supreme guidance and general control over the activities of the people's councils, which together constitute the system of organs of state authority. In exercising this control, the Grand National Assembly and the State Council make use of standing commissions, which are empowered by the Constitution, either periodically or in connexion with some specific problem, according to their terms of reference, to consider reports from senior officials of any organ of state administration, the Supreme Court or the Procuratura on the activities of those organs. They may also consider reports from the chairmen of the executive committees of people's councils on the activities of the councils and the manner in which the various organs are giving effect to state policy and applying the provisions of the law. The Grand National Assembly and the State Council, again acting in their supervisory capacity, may set aside unlawful decisions taken by the people's councils.



The departmental people's councils exercise supervision and control over the people's councils of all municipii, towns and communes, except the people's council of the city of Bucharest, which is directed and controlled by the supreme organs of authority.

The ministries and other central administrative agencies are subordinate to the supreme organs of authority and to the Council of Ministers, while the local administrative agencies are subordinate to the people's councils, to the executive committees at the next higher level and to the Council of Ministers.

Special organs, namely, the Economic Council and the territorial economic commissions, are responsible for developing local economic activity and co-ordinating it with national economic activity.

The Economic Council operates under the direction of the State Council. Its main task is to supervise the implementation of state economic policy and to ensure compliance with the law relating to economic matters. Its principal functions are:

- (a) To guide the territorial economic commissions in their work;
- (b) To exercise control in co-operation with these commissions, over territorial economic activity;
- (c) To study and analyse the development of the national economy;
- (d) To prepare studies and analyses of the different problems facing the national economy, and of ways of improving economic activity;
- (e) To supervise the implementation of the training programme for personnel required by the national economy; and
- (f) To ensure that the ministries and other central organs of administration solve the economic problems brought to their attention by the territorial economic commissions.

The Economic Council submits to the Council of Ministers the conclusions it arrives at in the exercise of its responsibilities, together with any solutions or proposals for improving economic activity.

The territorial economic commissions develop, and submit to the people's councils, proposals concerning the current and long-term development of their respective departments with a view to mobilizing existing reserves, taking stock of local resources, improving the distribution of the forces of production between departments, and co-ordinating the activities of local and national economic units. The territorial economic commissions also assist in drawing up local plans and budgets and in supervising their implementation, and take part in efforts to improve economic activity and to increase the efficiency and profitability of production. The commissions act in accordance with the laws and decisions of the Council of Ministers and are required periodically to inform the people's councils of the economic situation in their departments, and to submit proposals on ways of improving economic activity.

The economic commissions may request and receive assistance from the Council of Ministers, the ministries and other central agencies in solving the economic problems which arise in their departments.

The Council of Ministers, as the supreme organ of administration exercising general control over executive activities throughout the territory of the State, is responsible under the provisions of the law for the direction and control of the activities of the executive committees of people's councils. It issues decisions, both for general application and on specific matters, and has the right to set aside unlawful decisions, taken by the executive committees. Its principal function is to direct and control the activities of the executive committees of departmental people's councils and the people's council of the city of Bucharest, which are directly subordinate to it. The other categories of executive committees are directly subordinate to the executive committees of departmental people's councils. However, as the supreme organ of administration, the Council of Ministers, by its acts, aimed at standardization of procedures, supervises the activities of all categories of executive committees. It may directly control the activities of any executive committee, and is entitled to set aside any unlawful decisions.

Attached to the Council of Ministers and directly subordinate to it is another central organ of administration which is responsible for giving assistance and guidance to the executive committees of people's councils. This is the State Committee for Economy and Local Administration, whose main objectives are:

- (a) To ensure the implementation of state policy in regard to local industry, community and housing management, local bridges and roads and health resorts;
- (b) To ensure the fulfilment of the state plan in these areas;
- (c) To ensure the implementation of urban and rural planning studies;
- (d) To co-ordinate planning activities and construction projects undertaken by organizations subordinate to the executive committees of people's councils; and
- (e) To ensure uniform solutions to local administration problems, under the authority of the Council of Ministers, and to exercise guidance and control over the activities of the executive committees in this respect.

In order to attain these objectives, the State Committee for Economy and Local Administration has to perform many different functions, summarized in the following paragraphs.

It assists the executive committees of departmental people's councils and the people's council of the city of Bucharest in drafting annual and long-term plans for local industry, in dealing with problems of community and housing administration in planning and constructing local buildings, bridges and roads, and in organizing health resorts. In so doing, it is guided by the needs of the national economy and aims at making the maximum possible use of local raw materials, supplies and manpower.

It consolidates the draft plans, prepared by the executive committees of departmental people's councils and the people's council of the city of Bucharest, in the various fields mentioned above and ensures that they conform to the requirements of the national economy and the conclusions of its own studies of developments in these fields.

In conjunction with the State Planning Committee and the executive committees of departmental people's councils and the people's council of the city of Bucharest it finalizes the draft annual and long-term local economic plans, and ensures that the objectives of these plans are consistent with those of other branches of the local economy.

In conjunction with the Ministry of Finance and the executive committees of departmental people's councils and the people's council of the city of Bucharest, it finalizes draft financial plans relating to economic activities.

It guides and controls the activities of the executive committees of people's councils with respect to local industry, community and housing administration, planning, the design and construction of local buildings, bridges and roads and the organization of health resorts.

It ensures that the executive committees carry out the tasks prescribed in the state plan.

In co-operation with the State Planning Committee, and on the basis of its own studies and of proposals made by the departmental executive committee or the executive committee of the city of Bucharest, it determines requirements for financial resources, supplies and equipment distributed by the Council of Ministers and the ministries concerned. It collaborates with the ministries responsible for production, in arranging quarterly distributions of quotas of raw materials, supplies and equipment. It determines the type and specifications of materials and equipment to be supplied and ensures that its directives in these areas are carried out. In conjunction with the State Planning Committee and the co-ordinating ministries, it studies and finds solutions to technical and material supply problems brought to its attention by the executive committees of people's councils, while the plan is being implemented.

Within the limits established by the Council of Ministers, it approves the technical documentation submitted in support of investments in excess of the figures generally allowed for executive committees of departmental people's councils or the people's council of the city of Bucharest.

With regard to local economic activities, it establishes departmental planning indicators for the introduction of new products, for the consumption of the principal raw materials and supplies, and for the introduction of new techniques.

It collaborates with the ministries and other central administration agencies in preparing studies on long-term local economic development and, on terms jointly agreed upon, it may request the central agencies and the competent social organizations to furnish with any specific studies and instructions which may be needed for the development of the local economy.



In consultation with the ministries and other central agencies concerned and with the executive committees of departmental people's councils or the people's council of the city of Bucharest, it proposes measures for co-operation and collaboration between local units and those subordinate to the central agencies, and ensures that these measures are carried out.

In conjunction with the ministries and other central administrative agencies, it arranges for specialized technical assistance to be provided to the executive committees of people's councils.

It co-ordinates the activities of interdepartmental commissions, and of other commissions established by decision of the Council of Ministers, on all planning problems.

In collaboration with the executive committees of people's councils, it sets up local bodies to prepare plans, implement projects and undertake technical surveys and other similar services abroad.

It arranges exchanges between delegations from the executive committees of people's councils and similar bodies in other countries, and arranges for experts to take part in exchanges of experience, documentation and specialized knowledge abroad.

It guides and controls the activities of the executive committees of people's councils with respect to the organization or production and labour in local economic units. In conjunction with the ministries and other central administrative agencies, it adapts the general methodology for the organization of work to the particular needs of each local unit. It draws up guidelines, provides supervision and control, and takes steps to ensure uniform application of the wage system and of labour standards and regulations.

It ensures that the economic and financial indicators approved in the state plan are adhered to in local economic activities. It adapts the general guidelines for the preparation of annual and long-term plans to the specific nature of the activities undertaken by people's councils.

In conjunction with the executive committees of departmental people's councils or the people's council of the city of Bucharest, it takes steps to diversify and develop public services. In collaboration with the ministries and other central agencies, it ensures that domestic production of equipment and plant is adjusted to these activities. It co-operates with the Central Union of Craftmen's Co-operatives, the Central Co-operative Office and other central agencies of social organizations in co-ordinating the services provided by units subordinate to people's councils.

On behalf of the Council of Ministers, it exercises supervision and control over the local administration and assists the executive committees in solving problems in this area.

In collaboration with the executive committees of departmental people's councils or the people's council of the city of Bucharest, it provides the personnel required for local activities. It co-operates with the Ministries and other central administrative agencies in training this personnel. It sets up schools and organizes training and advanced courses for personnel in the various



spheres of activity, which it co-ordinates and for which no comparable schools or courses exist. It takes part in allocating qualified personnel at all levels between the various departments.

On its own initiative, or at the suggestion of the executive committees of departmental people's councils or the people's council of the city of Bucharest, it prepares draft laws, decrees and decisions concerning local administration for adoption by the Council of Ministers. It expresses opinions on similar draft instruments prepared by the executive committees of departmental people's councils or the people's council of the city of Bucharest or by the ministries and other central organs on problems of local administration.

Through its representatives, it discharges the functions assigned to it in the Commission on the Organization and Procedure of Jurisdictional Bodies and in other similar commissions established by law.

It publishes periodicals and studies on the latest experience gained by the executive committees of people's councils.

The following bodies function under the direction of the State Committee for Economy and Local Administration, in an endeavour to desire effective and standard solutions to problems relating to economic activity:

- (a) Interdepartmental urban and rural planning commissions;
- (b) Central economic offices, trusts and enterprises;
- (c) Planning, projection and research units;
- (d) Equipment and supply depots;
- (e) Equipment and transport repair workshops;
- (f) Local economy equipment and plant production units; and
- (g) Foreign trade units, product presentation and marketing units,

In conjunction with the general functions described above, the State Committee for Economy and Local Administration has a specific series of functions to perform in regard to local industry, community and housing administration, planning, prospecting, the construction of local buildings, bridges and roads and the organization of health resorts.

In the exercise of these functions, the Committee submits to the Council of Ministers proposals for setting aside unlawful decisions by the executive committees and for promulgating acts, setting standards to improve the executive committees' work.

The ministries and other central administrative agencies have extensive responsibilities in regard to local government, and they collaborate with the local administrative agencies. They guide, assist, and exercise specialized supervision over the activities of specialized local organs of administration.

As a rule, all ministries except the Ministry of Justice and the Ministry of Defence, and all other central administrative agencies, except the Security Council, maintain relations with the executive committees of people's councils and extend to them such assistance as they may need. Amongst the ministries and other central administrative agencies, this applies, in particular, to the State Planning Committee, the Ministry of Finance, the economic ministries, the Supreme Council for Agriculture, and the State Committee for Culture and the Arts.

The local agencies of administration also work in conjunction with the co-operative organizations, especially with the representatives of production and craft co-operatives.

The ministries and other central administrative agencies are required to extend direct assistance to the executive committees of people's councils in all local activities, particularly in the following areas: (a) the development of local industry, (b) the provision of public services, (c) the supply and distribution of goods, (d) the development of communal administration, (e) building and town planning activities, 1/ and (f) the development of teaching and science.

The ministries and other central administrative agencies assist the executive committees in preparing studies of the integrated economic, social and cultural development of departments, towns and communes, and of ways of making full use of the material and human resources of each territorial administrative unit, in order to achieve a steady increase in the material and spiritual well-being of the population. They offer assistance by co-operating to deal with specialized technical problems.

The executive committees of the people's councils are required, within their territorial administrative units, to ensure compliance with the laws and other enactments of the supreme organs of power, and also with the decisions of the Council of Ministers and the measures adopted by the ministries and other central administrative agencies.

The executive committees of people's councils undertake their local economic, social and cultural activities in collaboration with the ministries and other central administrative agencies, and with the specialized central agencies and local bodies representing co-operatives and other social organizations. In conjunction with agricultural production co-operatives, they organize efforts:

- (a) To increase agricultural production;
- (b) To promote the economic and structural consolidation of socialist farming units;

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1/ The State Committee for Housing, Building and Planning provides assistance in the preparation of planning models for towns and health resorts. It issues instructions on the preparation of models, diagrams and urban development plans, and it establishes general regulations for town planning and building and criteria for determining district boundaries.

- (c) To provide assistance for the personal holdings of peasants;
- (d) To ensure rational use of the land;
- (e) To maintain the state centralized fund of agricultural and livestock products at the required level;
- (f) To conserve and cultivate farming land; and
- (g) To regulate the use of forestry resources and communal pastureland.

In collaboration with the specialized central organs of co-operation:

- (a) They organize the provision of supplies and services to the population;
- (b) Direct and supervise the entire commercial network;
- (c) Co-ordinate state and co-operative trade;
- (d) Assist craftsmen's and consumers' co-operatives; and
- (e) Issue permits for the operation of such co-operatives and for production undertaken by individual craftsmen.

In conjunction with the specialized central bodies;

- (a) They organize the development of health services and services for the prevention of diseases and epidemics;
- (b) Control the activities of medical institutions, and all activities relating to the labour force, labour protection, labour relations, social insurance, pensions and social welfare; and
- (c) Supervise the implementation of regulations concerning the prevention of air, water and soil pollution.

The specialized local administrative agencies are subordinate to the people's councils and their executive committees and also to the ministries and other specialized central agencies. The fact that they are subordinate to the last-named does not affect either the form or content of local autonomy. The ministries and other central administrative agencies do not transmit specialized instructions directly to local government agencies. Such instructions are transmitted only through the executive committees of the departmental councils or the council of the city of Bucharest. Moreover, although the ministries and other specialized central agencies exercise control over the activities of specialized local agencies, they may not set aside unlawful decisions. They are entitled only to suspend such decisions; and are required to notify the executive committee, to which the administrative agency responsible for the decision is attached. In the event of differences of opinion arising between the executive committee of a departmental people's council, or the people's council of the city of Bucharest, and the specialized central agency, the question is submitted to the Council of Ministers for final decision.



The ministries and other central administration agencies give effect to state policy in the fields of administrative activity for which they are responsible. Each ministry or other central administrative agency is established and functions in accordance with the provisions of the law, creating it. There are nevertheless certain principles and regulations which apply to all of them.

The basic principle underlying their organization and procedures is that of collegiate authority. This principle, which in accordance with the provisions of the Constitution of 21 August 1965, applies to the organization and procedures of the entire state apparatus, has replaced the principle of individual authority, under which all the activities of a ministry or other central administrative agency were directed by a minister or a single head, who always had the right to make the final decision.

Under the principle of collegiate authority, the right to make final decisions lies with the ministerial board, which exercises supreme authority and settles all problems coming within the terms of reference of the ministry or other central administrative agency. In each ministry or central agency, the board generally consists of the minister, or head of a central agency, his deputies, the secretaries-general, a number of directors-general or directors, the heads of the important units subordinate to the ministry, and selected scientists and specialists. The composition of the board is approved by the Council of Ministers. The president of the board is the minister or head of a central agency, who presides over its activities.

In each ministry or central agency, the board conducts its work at meetings which must be attended by at least two thirds of its members, and decisions are adopted by an absolute majority of the total membership. Meetings are held whenever the need arises, and not less than once in every three months. In the event of a difference of opinion arising between the president and the majority of the members of the board, the question is submitted to the Council of Ministers for a final decision.

Between meetings of the board, the minister, or head of an agency, his deputies, the secretaries-general and other members of the board, appointed by the board itself, ensure that the decisions of the board are executed. They are also empowered to deal with day-to-day problems.

The minister, or the head of an agency, represents the ministry, or agency, in its relations with national organizations and in international relations. He acts on behalf of the ministry, or agency in its relations with physical or legal personalities and he appears on behalf of the ministry, or agency, in legal proceedings.

In discharging his functions and executing the decisions of the board, the minister, or head of agency, issues instructions, decisions and other legal enactments on the basis, and in the application, of the law.

The deputy ministers, or deputy heads of agencies, and secretaries-general are responsible for activities in the areas of work, under their authority, and perform other functions which may be delegated to them by the minister or head of agency.



The ministries also include, as consultative bodies, a technical and scientific council, which gives its opinion on technical and economic reports on problems of investment and information, or on draft decisions by senior officials of the ministry; and in ministries responsible for research, survey, and projection units, and in higher education establishments, a commission for the co-ordination of research.

The ministerial structure includes a number of joint divisions and operational directorates, which are designed to ensure the smooth running of the operational or specialized directorates in each separate ministry.

Apart from the ministries there are, as indicated, other central administrative agencies which have responsibilities in regard to local administrative activities. Amongst these the most important are: the Supreme Council for Agriculture, the State Committee for Culture and the Arts, the State Water Resources Committee, the Directorate General for Statistics, and the Directorate General for Metrology, Standards and Inventions.

These central administrative agencies maintain relations with one another, and with the ministries, on problems relating both to central and local administration. They collaborate particularly in devising concerted solutions to problems of local society. The practical result of this co-operation is generally the issue of joint directives, which are mandatory for local organs.

The relations between ministries and local agencies also embrace the appointment and removal of state officials. In this connexion, it should be mentioned that:

- (a) The secretaries of executive committees of departmental people's councils are appointed by the people's councils concerned, with the concurrence of the Council of Ministers;
- (b) Decisions on the appointment and removal of heads of specialized local agencies are always taken by the people's councils, with the concurrence of the central agency dealing with the kind of activity concerned;
- (c) Decisions concerning the recruitment, transfer and dismissal of staff employed in departmental socio-cultural units are taken by the executive committees of departmental people's councils, with the concurrence of the specialized agency concerned;
- (d) The approval of the Ministry of Education is required for the appointment, transfer and dismissal of school inspectors.

It should be added that in certain fields of activity, direct relations are also maintained between the central and local agencies, but only in strictly specialized areas. These include local planning and statistics; the supply of goods by centralized distribution, which is co-ordinated by the supply divisions or directorates of each ministry; technical and economic documentation or draft projects; and the location of enterprises, including questions of communal, that is, rural planning. Initiatives in this field are generally undertaken in conjunction with the State Committee for Housing,

Building and Planning, the Ministry of Building and, if necessary, other central agencies. The activities of the technical services are not confined to problems within the competence of the central agencies concerned although, of course, these agencies are primarily engaged in the solution of such problems. The technical services also deal with any local problems, which are referred to them, or which they may decide to investigate on their own initiative.

## VI. PUBLIC PARTICIPATION

One of the principal and most characteristic features of Romanian state organization is the active and ever-increasing participation of the public in the activities of state organs, in the administration of public affairs and in the solution of problems affecting local society. The intensive participation of citizens in public life means that the social basis of the state organs is continually expanding. This is a striking feature of socialist democracy. It explains the importance for state organs, to encourage citizens to enter public life and to stimulate their interest in public affairs. In the Constitution this task is expressly assigned to the people's councils 1/; and the provisions of the Constitution are further developed in the Act Concerning the People's Councils, which lays down the guidelines and objectives for their work in promoting the participation of citizens in local public life 2/. The legislature appreciated the special importance of this task, which enhances the democratic nature of the organization of the socialist state, as well as the political and social importance of the participation of citizens in public life and in the solution of the many complex problems raised by the demands of modern society. Accordingly, it offered practical guidance for the discharge of this responsibility by the people's councils and their executive committees.

The Act Concerning the People's Councils states that the activities of the agencies of local administration are based on the principles of socialist democracy and that these agencies must ensure direct participation without distinction of nationality, race, sex or religion by all citizens in discussions at the local level of public and social affairs; and in the implementation of all provisions and measures which may be decided upon. At the same time, the local agencies are required to establish closer contacts with social organizations and to give them the assistance they need in their work.

Members of the public take part in the management of local affairs through many different types of organization. Quite apart from the more general and common ways in which the public participate in the activities of the state apparatus, such as trade unions, co-operatives, youth organizations, women's organizations and associations of various kinds, such as socio-cultural, artistic, scientific, technical and sports associations, the local administration is considerably reinforced by more specific forms of participation by individual members of the public. These associations fulfil the purposes for which they are established, and by reflecting the interests of their members and engaging in a range of social activities, they contribute to the development of a civic conscience. In special cases, social organizations also have the right to issue decisions having a direct legal effect.

The most common way in which members of the public participate in local affairs is through membership of the citizens' activist groups, citizens' committees, social supervision brigades and arbitration commissions, though each of these forms of participation has a different purpose.

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1/ Article 80.

2/ Articles 1, 3 and 66.

The citizens' activist groups are attached to the standing commissions of the people's councils. These commissions are composed of council members; they operate in all the principal areas of local activity and constitute one of the instruments which the members use to discharge the responsibilities of the people's councils. With their specialist training and the experience of their members, the groups are able to contribute to the work of the standing commissions.

The citizens' committees, which are elected at general assemblies of the citizens in each electoral district, or in each sector of activity, are accountable to these assemblies for all their actions. They have shown themselves to be increasingly effective in encouraging citizens to participate in activities of local civic importance.

The activities of the citizens' committees represent an effective contribution to local administration, since they educate citizens and develop their civic conscience. They also undertake many projects of public importance at the local level. For example, the 150,000 citizens' committees, with a membership of more than 600,000, have made a significant contribution to the development of municipal facilities, and the embellishment of various localities for instance, public works costing more than 2,000 million lei were carried out in 1967 with the help of citizens' committees in electoral districts. Foremost among the activities of citizens' committees in rural communes are their efforts to enlist the support of residents, in contributions of money or labour, for public works projects. In their popular assemblies, the residents of rural communes can decide, on their own initiative and in complete freedom, either to contribute money for such work or to contribute labour for the maintenance and repair of local bridges and roads, or for the electrification of villages. The citizens' committees are elected by the people's assemblies from among their own members, and they are responsible for giving effect to the decisions of these assemblies. They co-operate with the local administration in executing the projects decided on by the general assembly of residents. The 24,031 rural citizens' committees have made a significant contribution to the improvement of living conditions among the rural population. For example, in 1967 they collected a sum in excess of 150 million lei which was used for the construction of some 2,500 school rooms, 500 cultural centres, and about 70 maternity homes, as well as dispensaries. Through voluntary contributions of labour, a large number of villages have been electrified and several projects for the maintenance and repair of bridges and roads have been carried out.

Another common type of citizens' committees are the tenants' committees which are responsible for maintaining state housing, ensuring tidiness and cleanliness in dwellings, developing an atmosphere of understanding and mutual respect among the tenants and taking steps to ensure prompt payment of rent and orderly conduct. These committees are entitled to check the payment of rent each month, to give prior notice of rent collection, and in collaboration with the housing administration, to establish terms and conditions for the execution of maintenance and repair work chargeable to the tenants. They also have the right to apply to the courts for the eviction of tenants who do not fulfil their obligations.

One particularly important feature of the participation of citizens in local administration is the right exercised by social supervision brigades, which are elected by the trade unions, to help protect the interests of citizens



by controlling trade practices, health services, and the administration of spas and health resorts. These brigades control all forms of commercial activity, and ensure compliance with the law regarding weight, quality and price. They supervise the behaviour of the staff of trade outlets towards the public. They also control such health activities as the conditions under which medical care is provided in hospitals, clinics and dispensaries, as well as the observance of schedules, the treatment given to the sick, hygiene and nutrition. Finally, they supervise the activities of rest homes, tourist centres, spas and health resorts, particularly the accommodation, supplies and sanitation. It should be stressed that the certified statements prepared by these brigades in the exercise of their supervisory functions have direct legal force. The State authorities and organizations are required to take steps to remedy unsatisfactory situations, to which the brigades have drawn attention.

The arbitration commissions, which have only recently been organized, reflect the increasing importance of public opinion and the way in which citizens are promoting respect for the law and the development of a civic conscience. They are yet another example of participation by citizens in public affairs. These commissions have taken over the authority and jurisdiction previously exercised by various bodies such as the conciliation commissions attached to the executive committees of people's councils, the arbitration councils operating in socialist organizations, the commissions for the settlement of labour disputes in enterprises and institutions, the arbitration commissions for agricultural producers' co-operatives and the conciliation commissions for craftsmen's co-operatives. Authority is concentrated in the hands of the arbitration commissions, which are social organs of jurisdiction and have authority also to settle other matters representing a lesser threat to society.

There are arbitration commissions in state enterprises, economic organizations, institutions and other organizations, and in co-operatives and other social organizations with at least 100 employees or members. Commissions of this kind are also attached to the executive committees of the people's councils. Their members are elected by assemblies of employees or members of co-operatives or other social organizations, as the case may be. Members of commissions attached to executive committees are elected by people's councils.

The commissions hear cases concerning violations of the rules of social life, which are not crimes under the law when they are committed for the first time. They settle, by conciliation or adjudication, cases concerning criminal law offences, which are committed at the place of work. The commissions also settle all labour disputes in which the amount involved is not in excess of 5,000 lei; disputes relating to the termination of labour contracts; and disputes, in which jurisdiction has been assigned by law to other bodies. The commissions attached to executive committees hear cases concerning acts, defined in law as violations of the rules of social life. In the case of violations, committed by employees or members of social organizations outside the place of employment, they try to reconcile the parties. They also hear cases concerning offences under criminal law, which are committed by such persons. They settle, by conciliation or adjudication, inheritance disputes between individuals, involving the payment of money or the acquisition of personal effects, provided that the amount involved is not in excess of 10,000 lei. The Commissions also consider cases referred to them by the judicial

organs, in an attempt to decide on measures of persuasion as an alternative to a criminal sentence. In cases concerning violations of the rules of social life or offences under criminal law, a commission may reprimand and warn the accused, or imposes a fine of up to 1,000 lei.

Decisions in cases concerning violations of the rules of social life, offences under criminal law, labour disputes involving an amount in excess of 1,000 lei, and disputes relating to inheritance rights may be appealed by the parties to the local judicial organ.

## VII. CONCLUSIONS

The main criterion for evaluating the role and importance of local authority is the extent to which genuine local autonomy exists, and the extent to which conditions for further improvement have been established. The achievement of this essential objective, which will ensure the development of democracy, the improvement of the material and spiritual conditions of life in present-day society, the growth and maturity of the human personality, and the expansion of the role of public opinion, in short, the creation of a framework and climate favourable to the improvement of local life, is contingent upon the existence of the necessary material and human resources and the establishment of equitable relationships between the central and local organs of administration. These should be relationships of collaboration and mutual assistance, which exclude the possibility of either category of organ trying to dominate or replace the other.

The main prerequisite for accelerating the political, economic, socio-cultural and administrative advancement of each territorial unit, is to harmonize local and national interests and to develop a high degree of local autonomy. This will ensure that the local authority can contribute effectively to the development of the country as a whole.

In the organization of the Romanian state, the main areas in which local autonomy is being developed and the local authority is contributing to the over-all economic and social development of the country are as follows:

- (a) Local authority is exercised by representative organs, which are elected by citizens and are independent of the administration;
- (b) Local financial resources are being created by directly productive economic activities, organized under the guidance of local organs;
- (c) The local and central organs of administration collaborate with one another and provide each other with mutual assistance;
- (d) The local organs of administration collaborate with co-operatives and other social organizations;
- (e) Rural communes are grouped together to achieve economic and socio-cultural objectives of common interest;
- (f) Initial and further training is provided for local officials.

The first requirement for effective local autonomy is that local authority should be exercised by directly representative organs elected by the citizens under a system which ensures representation of all social classes and categories and of any national minorities, which constitute a large proportion of the population in some territorial administrative units. The management of local activities by representative organs means that the organs of local administration are genuinely independent in their relations with the central organs of administration, since the local organs of authority are closely linked to the masses, and are required to satisfy their interests and needs. Even the most advanced administrative system cannot necessarily fulfil the ultimate requirement

of local autonomy, that local authority should be exercised not only for the people but by the people itself. Obviously the exercise of local authority by representative organs elected by universal, equal and direct suffrage and by secret ballot does not imply the establishment of political organs with functions similar to those of the state organs, since local autonomy cannot be conceived as local sovereign authority. These representative organs, in exercising authority at the local level, are obliged to act in accordance with the law and to apply their provisions, as set forth in the law and in the acts issued by the agencies of central administration, aimed at standardization of practices.

State activities in Romania at the local level since 1949 have been directed by representative organs which exercise the authority of the people. These organs are similar to the parliament or supreme representative organ. This system of local administration, in which authority is exercised by the organs of power, and not the organs of administration, is a feature of the organization of all socialist states.

However, the purpose of local autonomy is not merely to ensure the solution of local problems by local organs, in the interests of the local population. The particular importance of local autonomy lies in the fact that it creates the conditions necessary for the assertion and development of the human personality. Since state activity at the local level creates a climate of social solidarity and encourages all citizens to take part in public life, it could become a genuine primary school of the nation, a development which has long been discussed but not accomplished.

In pursuance of these objectives, the definition of local autonomy in Romania takes account of the fact that the authority of the people is exercised in the same manner in territorial administrative units, as well as that the local representative organs work with the participation of, and in close liaison with, the citizens themselves. In accordance with the provisions of the Constitution itself, the members of local peoples' councils, like the members of parliament, are required to provide their electors with periodic oral reports on their work as members and on the work of the peoples' council as a whole. At these meetings the local members and citizens discuss local administrative, municipal and other problems, and the members refer suggestions from the electors to sessions of the people's council.

Another important right which the electors possess is the right to recall their deputy at any time, if they feel he no longer warrants the trust they have placed in him.

The submission of reports at assemblies of electors, and the subsequent discussions, have become an established practice in local activities. The executive committees are required to assist members to make arrangements for this form of collaboration between themselves and the public by providing premises for meetings, and circulating notices of those meetings. The public meetings attended by local members, of whom there are more than 150,000 obviously constitute a particularly important forum of public opinion and enable electors to take part in local administration and to exercise control over the organs concerned in an organized manner. The right of electors to recall their member is not often exercised; particular care is taken in nominating candidates, and citizens scrutinize the nominations very closely.



The special significance of this right is that, in exercising the right to vote, the people do not relinquish its authority but remain the sovereign custodians of that authority. They retain the right to control the exercise of this authority by representative organs and to affirm the supremacy of their power by recalling members.

Apart from exercising their electoral right, with its specific features, citizens may also initiate action of local importance and take an active part in local administration by resorting to such procedures, as those discussed above.

The second requirement of local autonomy is that the territorial units should be financially independent. In other words, that they should have some system of obtaining their own financial resources. If the local authority is backed by sufficient financial resources, it is in a position to satisfy the various needs of the population and act in complete independence, without having to obtain authorization from the central administration. The chief source of local finance should be the income derived from extensive productive activities, supervised by local organs. This should give each territorial unit the funds it needs for town planning and urbanization, municipal undertakings, and the construction of dwellings, schools, theatres and cinemas; as well as for the provision of public services and the supply of consumer goods at reasonable prices.

Municipal services and local economic and commercial enterprises are now engaged in extensive productive activities. As yet, the territorial administrative units have not been able in general to finance all their expenditure out of their own income, and some of them are still receiving funds from the state budget. However, the greater part of their expenditure is now paid for out of income derived from their own productive activity.

The third requirement is that local organs should be given special powers to solve the complex problems raised by modern life and the interests of the people. This implies that there should be constant collaboration between local and central organs, and that the latter should guide and support local activities. However, since local administration embraces all the fields of activity of the central organs, the proper functioning of the state requires that each central organ should assist, guide and control the legality of the work of local organs, without however assuming their functions itself.

In Romania this system of collaboration between the local and central administration has produced good results. A central organ attached to the Council of Ministers guides and assists the local organs in their work, and the ministries and other central administrative agencies are required to exercise specialized guidance and control over the work of local agencies. There is now a proposal to establish a special office, under the auspices of the State Council, to guide and assist the people's councils in their activities.

The fourth requirement is that the agencies of local administration should collaborate with the representatives of craftsmen's co-operatives. In this way, the local authorities can provide citizens with more services and products. In Romania, particular emphasis is placed on the development of co-operatives, especially in the communes; and the local agencies held in establishing economic units and craftsmen's workshops in the villages.

The fifth requirement is that communes should be legally permitted to combine their efforts in the execution of projects of common interest. Such action is relatively rare at present. The law only permits people's assemblies to take joint action to carry out public works with voluntary contributions from residents of communes, but it will probably become more common under existing conditions of social development and in view of demands for improvements in life in the villages.

A final requirement is that a staff of capable officials should be formed, all having sound professional training and a good understanding of the complexity of local problems.

The importance of forming a special staff of officials for local administration has been particularly emphasized in official publications and in recent years various categories of training schools have been established.

NOTE:

In Romania, several monographs, studies and papers have been published on problems connected with local governments. Among those published in recent years are: I. Vîntu et al., The people's councils - the local organs of power in Romania (in Romanian), Bucharest, 1964; Tudor Drăganu, The forms of activity of the Romanian Socialist State (in Romanian), Bucharest, 1965; Mircea Lepădătescu, The system of State organs in the Socialist Republic of Romania (in Romanian), Bucharest, 1966; I. Vîntu, Structure and role of the people's councils in the Romanian Republic (*Revue internationale des sciences sociales*, No. 2/1960); I. Vîntu, Reorganization of administrative structure in Romania (*Studies in comparative local government*, November 1968); Theory and practice of representation in Romania (*Revista de sciencia politica*, vol. II, 1968, No. 1).

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## UNION OF SOVIET SOCIALIST REPUBLICS

### I. CONCEPT AND STRUCTURE OF LOCAL ORGANS OF STATE POWER IN THE USSR

In the Union of Soviet Socialist Republics, state affairs are controlled and administered at the local level by elected representative bodies, the local Soviets of Working People's Deputies. The USSR Constitution of 1936 states that these Soviets "direct the work of the organs of administration subordinate to them, ensure the maintenance of public order, the observance of the laws, and the protection of the rights of citizens, direct local economic and cultural affairs and draw up the local budgets". 1/ The local Soviets are elected by the people of the territorial administrative units concerned for a term of two years, on the basis of universal, equal and direct suffrage by secret ballot. All citizens of the Soviet Union, who have reached the age of eighteen, are entitled to vote. Candidates for membership of the local Soviets are nominated and elected on the basis of one candidate from each electoral district. All citizens who have reached the age of eighteen are eligible for election as members.

It is the duty of every member to report to his electors on his work and on the work of the Soviet of which he is a member. He may be recalled at any time by the electors. Members do not receive remuneration for their work in the Soviet. When they are taking part in meetings of the Soviet or its committees, they continue to receive their regular salary for their permanent jobs. As a rule, each local Soviet forms, and elects from among its members, a number of standing committees, most of which exercise preparatory, advisory and supervisory functions. 2/ For the administration of its day-to-day affairs, the Soviet elects an executive committee from among its members; it establishes specialized and functional organs, for example, a planning committee, a finance department and other departments, boards and committees; and it appoints officers to them. 3/

The executive committee controls the executive apparatus of the local Soviet and directs its day-to-day business. The main functions of the local Soviet include the direction of local industry, agriculture, construction and trade, housing, public utilities and consumer services, schools, public health

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1/ Constitution of the USSR, 1936, Article 97.

2/ The number of committees established by the various Soviets varies from 3 to 5 to 12 to 16, according to the type and size of the Soviet concerned. Some local Soviets have also given their committees administrative authority.

3/ Executive committees consist of a chairman, one or more vice-chairmen, a secretary and from two or three to twenty or more members. The permanent officials are the chairman, the secretary and, in a few Soviets, the vice-chairman. Departments, boards and other permanent administrative organs of a specialized and functional nature are established by all local Soviets, with the exception of village and settlement Soviets.



institutions and the social security system. It is also responsible for ensuring the observance of the law and the maintenance of public order.

The fact that the local Soviets are elected, have their own executive apparatus and financial resources, and can deal with local problems themselves, is a reflection of the element of local self-government in their organization and legal status. However, according to the concept of the nature of these organs, as defined in the Soviet constitutions and in political and legal theory, the notion of self-government does not fully cover the role and position of the local Soviets in the State machinery. 4/ In addition to dealing with local affairs, these Soviets are extensively involved in the implementation of nation-wide projects, and in the application of laws and other enactments of the central organs of government. They are entitled to express their opinion and submit proposals on questions of nation-wide importance.

The plans and budgets of the local Soviets are an integral part of the State plan and the State budget. In their respective territorial units, these Soviets act as higher State organs; on behalf of the State and the population which they represent, they exercise supervision over enterprises and institutions, which are not subordinate to them, and they are responsible for territorial co-ordination.

Direct control over the activities of local representative institutions is exercised exclusively by the higher representative organs, namely, the Supreme Soviet 5/ and its Presidium. All these characteristics of the local Soviets, show that there is a systematic link between them and the Supreme Soviet. Under constitutional law, the higher and the local representative institutions, the Supreme and local Soviets, are part of a single system of organs of State authority, which direct the whole State machinery in the Soviet Union. The Constitution of the USSR states that all power in the State belongs to the working people of town and country, as represented by the Soviets of Working People's Deputies. Thus, the central and local representative organs are the main instruments through which the people exercise its sovereignty. Constitutional recognition of the local Soviets, as the local organs of a single State power, has been a factor of the highest importance in determining their relationship with the central organs.

Local Soviets are one of the main institutions of socialist democracy in the USSR. Together with the supreme representative institutions, they unite the people into the State. They are the largest and most numerous State organizations.

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4/ The word State is used in this chapter in the context of the whole Soviet Union as a single political unit, as distinct from the Union Republics and its other constituent parts.

5/ The Supreme Soviet of the USSR consists of two houses, the Soviet of the Union and the Soviet of Nationalities. It is thus also referred to correctly in the plural, as the Supreme Soviets. However, in many countries the supreme legislative body has a single title, notwithstanding the fact that it consists of two houses. The singular title Supreme Soviet is therefore here used to avoid confusing readers, who are not closely familiar with the system of government in the USSR.



The 49,544 local Soviets in the USSR have a total membership of more than 2,070,000, of whom 35 per cent are manual workers and 29.3 per cent are peasants and members of agricultural production co-operatives (kolkhozy), while the remainder are employees in State institutions or public organizations, members of the armed forces, housewives or retired persons. Forty-five per cent of the members of local Soviets are members of the Communist Party of the Soviet Union and 55 per cent do not belong to the Party; 44.6 per cent are women. Apart from the deputies and the staff of the administrative apparatus, more than 20 million other citizens, working voluntarily and without remuneration, take part in discharging the tasks of the local Soviets, which do much to encourage popular participation in State activities and administration.

The system of local Soviets in the Soviet Union meets the specific requirements of the State organization of the country. The USSR is a federal State composed of fifteen Union Republics, which are sovereign national States. 6/ Each Union Republic is responsible for the administrative division of its territory into units corresponding to the system of local organs of power. Autonomous Republics forming part of a Union Republic 7/ are divided into districts by the authorities of the Autonomous Republics themselves, and the boundaries are confirmed by the Union Republic concerned. Legal regulation of the organization and activities of local Soviet is the joint responsibility of the Soviet Union and the Union Republics. The basic principles, governing the structure and terms of reference, of these Soviets are affirmed in the Constitution of the USSR and the Constitutions of the Union Republics, and are developed and elaborated upon in current legislation.

The principal types of local Soviet are the regional, district, city, village and settlement Soviets. The regions, in which the regional Soviets operate, are large administrative units including both rural and urban territories. Five Union Republics, the Russian Soviet Federative Socialist Republic, the Ukrainian Soviet Socialist Republic, the Byelorussian Soviet Socialist Republic, the Uzbek Soviet Socialist Republic and the Kazakh Soviet Socialist Republic, are divided into regions. There is also one region in the territory of the Kirghiz Union Republic. The territory of the other ten Union Republics and all the Autonomous Republics, and most of the territory of the Kirghiz Republic, is divided directly into districts. Districts usually include a number of rural and small urban communities. In Republics which are divided into regions, the districts are administrative sub-divisions of the regions; and are, in turn, divided into rural administrative units, namely villages, consisting of one or more rural and village communities, or settlements.

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6/ Each Union Republic adopts its own Constitution; has its own higher organs, Supreme Soviet, Presidium of the Supreme Soviet, Government (Council of Ministers), Ministries and Supreme Court; and has the right freely to secede from the Union; the right to enter into foreign relations; and the right to grant citizenship of the Republic. The territory of a Union Republic may not be altered without its consent.

7/ There are Autonomous Republics within the Russian Soviet Federative Socialist Republics (sixteen autonomous republics), the Georgian Soviet Socialist Republic (two autonomous republics), the Uzbek Soviet Socialist Republic (two autonomous republics) and the Azerbaijan Soviet Socialist Republic (one autonomous republic).

Major cities, particularly the capitals of the Republics, are administrative units of the Republic itself, while other towns form part of regions or districts. The territory of large cities is sub-divided into municipal districts. Several very large administrative units called territories, which are administered by territorial Soviets, have been created in the Russian Soviet Federative Socialist Republic, which also has autonomous regions and national areas as a form of administrative and political autonomy for small ethnic groups. Some other Republics also have autonomous regions. All these autonomous areas also have their own local organs of power, which are called Soviets of Working People's Deputies of Autonomous Regions and National Areas.

In 1969 there were in the Soviet Union six territorial Soviets, 107 regional Soviets, eight Soviets of Autonomous Regions, ten Soviets of national areas, 2,880 district Soviets, 1,911 city Soviets, 434 municipal district Soviets, 4,760 village Soviets and 3,436 settlement Soviets.

Prior to the adoption of the 1936 Constitution of the USSR, and the subsequent adoption of the new Constitutions of the Union and Autonomous Republics, the local organs of power in the various administrative units were organized on different principles. The local urban, urban district, village and settlement Soviets were directly elected by the population, voting by show of hands at assemblies of electors organized at enterprises and institutions and also at places of residence. The local organs of State authority in districts, regions and territories were the Congresses of Soviets. Delegates to these were elected, not by the people, but by the urban and rural Soviets and by the lower-level Congresses of Soviets. In the intervals between congresses, executive and administrative functions in the territorial unit concerned were exercised by executive committees, elected at the congresses. The system of Congresses of Soviets was abolished by the 1936 Constitution of the USSR; and local Soviets, elected directly by the electoral districts of the territorial unit, became the only form of local organization of State authority. The organizational unity of the local organs of authority was thus assured and the links between them and the population were strengthened.

Now, there is a multi-level system of local Soviets in each Union and Autonomous Republic. In Republics divided into regions, the highest ranking local organs of authority are the regional Soviets. They direct and co-ordinate the activities of the district Soviets in the region. The district Soviets, in turn, unify, direct and co-ordinate the work of the village and settlement Soviets in their districts. Thus, in these Republics, the system of local Soviets is basically a three-tier system. The city Soviets, depending on the size and importance of the city, may belong to the highest, middle or lowest level of the system.

In Republics, which are not divided into regions, the highest ranking local organs of authority are the district Soviets, and the city Soviets of cities administered by the Republic. The higher-level Soviets ensure that the activities of lower-level Soviets are carried out in conformity with the law; they assist them in their work; and they encourage them to fulfil their allotted tasks. They may not however, themselves exercise the powers assigned by law to the lower-level Soviets; they do not confirm their decisions, plans or budgets; they are not empowered to appoint or remove members of the staff of the executive committees of these Soviets or to make changes in the composition of their executive standing committees. The independence of every local Soviet in dealing with the matters within its competence is guaranteed by specific legislative provisions and by the fact that each Soviet has its own financial resources and executive apparatus.

## II. CO-OPERATION BETWEEN CENTRAL STATE ORGANS AND LOCAL SOVIETS

The local Soviets co-operate closely with the central State organs, both in dealing with matters of local interest, and in participating in the implementation of nation-wide projects. The number of governmental organs concerned, and the special features of their relationship with the local organs of power, depend on the legal status of the local Soviets, on their position in the machinery of government, and on the characteristics of the State system.

In view of the importance of the local Soviets, as part of the single system of representative bodies in the USSR, questions relating to their organization and activities fall within the combined jurisdiction of the Soviet Union, of the Union Republics, and also of the Autonomous Republics, where Union Republics include Autonomous Republics within their territories. The Constitution of the USSR, and the constitutions of all Republics, contain separate chapters setting forth the basic principles governing the organization and powers of the local Soviets. Thus, the federal organs have a part to play in directing the development of the local Soviets. In general, however, their role consists merely of establishing fundamental principles and guidelines for the development and activities of the local organs of authority, to guide the Republics in their legislation and administrative practice and to co-ordinate their functions in this sphere.

As the local Soviets are representative bodies, forming part of the single system of organs of State authority, direct relationships exist between them and the highest link in the system, the Supreme Soviet and Presidium of the Supreme Soviet. It is one of the functions of the Supreme Soviet and the Presidium of the Supreme Soviet in a Union or Autonomous Republic, to give policy direction to the local representative institutions. Special departments have been established in the offices of the Presidium to enable these organs to maintain liaison with the local Soviets. They are known as Departments for Local Soviet affairs, and their activities are directed by the secretary of the Presidium. Constant liaison with the local Soviets is maintained by the standing committees of, and members of, the Supreme Soviet. The latter may take part, with the right to cast an advisory vote, in meetings of the local Soviets, and their standing and executive committees.

The Government, that is to say the Council of Ministers and the central organs of administration subordinate to them, such as Ministries, committees and boards, have no authority to give policy directions to the local representative institutions and may not address their legal enactments to them. There is no ministry in the Soviet Union, which can exercise regulatory or supervisory powers in matters affecting the organization or activities of the local Soviets. Similarly there are no regional or local administrative organs, appointed from above which, like the prefects in France, can exercise supervision over the local Soviets on behalf of the central Government.



This does not mean, however, that there is no relationship at all between the activities of the local Soviets and the central administration. In accordance with the relevant constitutional provisions, the executive organs of the local Soviets, the executive committees, departments or boards, are guided in their work, not only by the decisions of the local Soviets, but also by the enactments of higher State organs, including the central organs of administration. As the executive apparatus of the local Soviets takes part in the implementation of nation-wide administrative projects, and as their activities in this field have to be co-ordinated on a nation-wide scale, it is clear that this executive apparatus has a dual nature. It is part of the local Soviet as an organ of authority, and at the same time part of the system of State organs of administration, headed by the Council of Ministers. It is therefore subordinate both to its own Soviet and to the higher-level administrative organs.

In each Republic, the Council of Ministers of the Republic unifies, directs and co-ordinates the work of the executive committees of the local Soviets. There is a special department in the secretariat of the Council of Ministers of the Republics, dealing with the work of the executive committees of the local Soviets, and assisting the Council of Ministers to maintain liaison with the executive committees. The principle of dual subordination extends also to the sectoral departments and boards in the executive apparatus of the local Soviets. They receive policy guidance from the local Soviets and their executive committees; but in each Republic the various ministries concerned, the Ministries of Education, Health, Social Security, Local Industry, Internal Affairs, and so on, unify and direct their work. Functional organs of the local Soviets, such as the finance department and planning committees, are also subject to this dual subordination.

Several important features of the relationship between the local Soviets and the central organs of power and administration are derived from the fact that the system of local Soviets in each Republic is a multi-level system. The Supreme Soviet and its Presidium give general guidance to all local Soviets in the Republic, while the Government and the other central administrative organs give general guidance to the executive organs of the local Soviets. They also give direct guidance to the higher-level local Soviets. In Republics, which are divided into regions, this applies to the regional Soviets and their apparatus; in Republics, which are not divided into regions, to the district Soviets and their apparatus; and in all Republics, to the city Soviets of cities, administered by the Republic. The local Soviets at the middle and lower levels, work under the direct guidance of the higher-level local Soviets. For example, the work of the district Soviet is directed by the regional Soviet, while that of the village and settlement Soviets is directed by the district Soviet.

The executive organs of the regional Soviet unify and direct the work of the executive organs of local Soviets in the region. In the secretariats of the executive committees of regional and large city Soviets, there are special organizational and instructional departments which, as one of their basic functions, assist the Soviet and its executive committees, to maintain liaison with lower-level Soviet organs. Departments of this kind have also been set up in the secretariats of certain district Soviets, while in other districts the same functions have been assigned to instructors or groups of instructors in mass organization work. Consequently, in the maintenance of relationships between the



central organs of power and administration and the lower-level local Soviets, the higher-level Soviets are not bypassed. These relations are not conducted through special representatives of the central organs, but usually through the higher-level local Soviets themselves.

A special type of relationship, between the central organs and the local Soviets, is the supervision exercised by the Office of the Procurator-General, in order to ensure the legality of enactments by the executive organs of these Soviets. The Office of the Procurator-General in the Soviet Union is organized on centralist principles. Supervision to ensure strict compliance with the law is exercised by the Procurator-General of the USSR, who is appointed by the Supreme Soviet of the USSR; by the Procurators of Republics, regions and territories who are appointed by the Procurator-General; and by the city and District Procurators, who are appointed by the Procurators of the Republics.

Regional, town and district Procurators are not subordinate to the local Soviets. They verify the legality of enactments by the executive committees, departments and boards of the local Soviets, and have the right and duty to protest illegal enactments. Protests by the procurators must be examined within a specified time-limit by the organs to which they are addressed. Illegal enactments by a local Soviet can be revoked only by a higher-level local Soviet and, in the case of enactments by the higher-level local Soviets themselves, only by the Supreme Soviet and the Presidium of the Supreme Soviet of the Republic. Higher-level executive committees can suspend the application of illegal enactments by lower-level local Soviets, and can revoke illegal enactments by the executive committees of these Soviets. In the case of enactments by higher-level local Soviets, the Council of Ministers of each Republic has the right to suspend their application and to revoke illegal enactments by their executive committees. In certain cases specified by law, enactments by the executive organs of the local Soviets, which violate the rights and interests of citizens, can be challenged in the courts.

### III. RELATIONSHIP BETWEEN LOCAL SOVIETS AND CENTRAL STATE ORGANS

The principal functions of the organs of State authority and the organs of administration in the USSR and the Union Republics in relation to the local Soviets are:

- (a) The regulation of their organization and activity;
- (b) The establishment of the principal objectives and guidelines for their work;
- (c) The solution of specific problems, which the local organs are not empowered to settle independently;
- (d) The provision of material and financial resources;
- (e) Assistance in the organizational work of the local Soviets; and
- (f) Supervision.

The general legal regulation of the organization and activities of the local Soviets is a responsibility discharged exclusively by the highest organ of authority, the Supreme Soviet and its Presidium. As a rule, the Supreme Soviet of the USSR and its Presidium establish by their enactments the basic principles governing the system, terms of reference and work of the local Soviets, while the higher organs of power in the Union Republics are responsible for the practical and comprehensive regulation of the development and activities of the local organs of power. For instance, in April 1968, the Presidium of the Supreme Soviet of the USSR adopted a decree on the basic rights and duties of village and settlement Soviets. The provisions of this decree have served as a basis for legislation regarding village and settlement Soviets, enacted by the Supreme Soviets of the Union Republics, in order to determine the structure, terms of reference, and forms of activity of these Soviets in each Republic.

The most important legislative enactments by the higher organs of authority in the Union Republics, which are the most important enactments of direct concern to the local Soviets, are the decrees of the Presidium of the Supreme Soviet on the procedure for changing the administrative division of the Republics; the statutes governing elections to local Soviets, which are ratified by decrees of the Presidium; the laws governing the procedure for the removal of deputies to local Soviets by the electors; and the law concerning the budgetary rights of the local Soviets. In the majority of the Republics the regulations governing the different types of local Soviets (regional, town and district) and those concerning the standing committees of the local Soviets have been ratified by enactments of the Supreme Soviet or its Presidium. 8/

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8/ The responsibilities of the Supreme Soviet and its Presidium for issuing enactments concerning the local Soviets are not precisely defined by law. However, all enactments by the Presidium, addressed to local Soviets, are subject to ratification by the Supreme Soviets.

New Laws concerning regional, district and city Soviets are at present being drafted in the Republics to replace the existing regulations, some of which are not in keeping with present-day requirements and the more extensive role played by the local Soviets in administering the country. The Acts concerning village and settlement Soviets, which were recently adopted in the Union Republics, have substantially broadened the powers of these organs and have given them, amongst other things, the right to suspend the application of illegal decisions by enterprises and institutions, which are not subordinate to village or settlement Soviets but are located on the territory administered by them.

Apart from enactments directly concerned with the local Soviets, specific regulations addressed to these Soviets are contained in the Acts of the Supreme Soviet and Decrees of the Presidium concerning the management of the various sectors of the economy, social and cultural services, and the relations between the local Soviets and other State organs. For instance, in May 1968, an order was issued by the Presidium of the Supreme Soviet of the Armenian Soviet Socialist Republic establishing the procedure for the consideration, by ministries and other State organs and organizations in the Republic, of questions and suggestions, submitted by district and city Soviets. It was laid down that decisions of these Soviets received by a given organ must be considered by it within one month at the latest; that questions not requiring study must be considered even more promptly, and that the executive committees concerned must be informed of the results of the discussions and the measures taken.

Enactments by the Councils of Ministers also play an important role in regulating the structure and functions of the local Soviets. Some of these enactments determine the powers of the executive committees of the local Soviets in various branches of local government and the procedure for managing the enterprises, institutions and property of the local Soviets. For example, in a resolution adopted by the Council of Ministers of the Soviet Union on 30 September 1966, "on measures for the further development of local industry and trades", it was stated that sums should be set aside from the profits of enterprises of local Soviets in Republics, regions and large towns, in order to create special funds for financing investment in the construction of new enterprises, and the expansion and modernization of existing enterprises, over and above the planned figures. The resolution also called for an improvement in the system of supplying these enterprises with the necessary materials.

A resolution of the Council of Ministers of the Russian Soviet Federative Socialist Republic of 12 February 1966, and similar resolutions of the Governments of the other Union Republics, considerably extended the authority of the executive committees of regional, territorial and large city Soviets in the administration of the local economy. By agreement with the competent ministries or other central organs of administration in the Republic, these executive committees can decide questions relating to the creation, reorganization or closing down of enterprises, subordinate to the local Soviets; can place enterprises under the control of the various departments and boards of the executive committee, or of lower-level Soviets; and can ratify their work plans. The resolution also gives the executive committees certain powers in co-ordinating the development and activities of enterprises and institutions, administered by authorities of the Union or the Republic, but located on the territory of regional, territorial or large city Soviets.



In addition to their various legislative enactments, the Supreme Soviet and its Presidium, and the Councils of Ministers, issue general instructions to the local Soviets containing guidelines and objectives for the development of sectors of the local economy and communal, social and cultural services, which come directly under their control, and for strengthening legality and public order on the territory of the local Soviets. Instructions of this kind have been widely used, especially in recent years. They are intended to guide the activities of the local Soviets and their executive committees in the implementation of nation-wide projects; for example, in public education, health services, house building, household and consumer services and trade.

Responsibility for settling certain matters, relating to the organization and activities of the local Soviets, belongs by law to the central organs. Some of these are settled directly by the central organs, while others are settled by the local Soviets with the prior agreement of the competent organs of the Republics. For instance, the creation of new regions and districts, the question of the administrative subordination of towns, changes in the boundaries of these administrative units, and the scheduling of elections to the local Soviets, are all matters requiring the promulgation of a decree by the Presidium of the Union Republic. Planning and building designs submitted by the local Soviets for the capital cities of Union and Autonomous Republics, and for regional centres and towns under the administration of the Republics, are subject to approval by the Council of Ministers of the Union Republic. The heads of departments and boards of executive committees of city Soviets in cities under the administration of the Republics, and also of regional Soviets and district Soviets, in the case of Republics, which are not divided into regions, are appointed by the Soviets themselves with the prior agreement of the Ministry or other organ of the Republics dealing with the branch of the administration concerned. The number of questions on which the local Soviets can take decisions, only by agreement with the central organs, is strictly limited by law.

The central organs provide material and financial resources to the local Soviets largely in the form of co-operation in financing the development of the various sectors of economic, social and cultural construction, which come under the jurisdiction of the local Soviets, and also in balancing the revenue and expenditure sections of the local budgets. The chief role here is played by the Supreme Soviet of the Republic, which determines what proportion of the revenue of the Republic is to be made available to the local Soviets. For the provision of material resources to the local Soviets, the necessary materials and commodities are made available to them from centralized stocks. Deliveries to local organs of raw materials for industry, equipment, building materials and consumer goods, for sale through the trade network of the local Soviets, are effected in accordance with the planning indicators established by the State Planning Committee of the Republics.

The central organs of administration may also turn over to the local Soviets enterprises providing free services, equipment and communal, social and cultural facilities. Thus, the material and financial needs of the local Soviets are met from two sources: first, from their own sources of revenue or economic base and, secondly, by assistance from higher-level organs. As a general rule, the higher-level local Soviets are provided with the material and financial resources by the central organs of the Republic, while the needs of the lower-level local Soviets are met directly by the higher-level Soviets and their executive organs.



Co-operation in the correct organization of the work of local Soviets is one of the ways in which the central organs are constantly assisting the local organs of State authority and their executive apparatus. This co-operation takes the following forms:

- (a) Dissemination of information on experience in the work of local Soviets, their organs and their members;
- (b) The organization of sociological and other types of research, and of experiments; and
- (c) The transmission of recommendations on matters relating to the development of democratic principles of administration; to ways of inducing the population to take part in the work of the local Soviets; to ways of increasing the efficiency of meetings of the Soviets and of the work of their standing committees, executive organs and members; and to the national organization of work in the administrative machinery of the Soviets.

The Presidium of the Supreme Soviet plays a leading role in discharging this function. The work of the local Soviets is discussed regularly at meetings of the Presidium, and resolutions are adopted, which contain mandatory directives and recommendations to the local Soviets on various matters relating to the organization of their work, and in particular, practical instructions on the conduct of sessions, ways of increasing the activity of the standing committees, methods of presenting the reports of the members and executive committees to the public, and so on. Resolutions are also used to draw the attention of the Soviets to successes or shortcomings in the work of local authorities in particular regions, districts, towns, villages and settlements, as well as to transmit methodological advice and recommendations. 9/

The Presidium, in organizational, instructional and methodological activities, makes use of the local Soviet affairs departments in its secretariat. Specific groups of regions, districts and towns are assigned to instructors in these departments. The instructors study the situation on the spot, provide information on the most successful solutions, offer explanations and recommendations to officials and members of the Soviets, and take part in the preparation by these bodies of the various measures required. The departments prepare and circulate to the local Soviets informative material containing methodological instructions, explanations of legislation and descriptions of practical procedures. The Local Soviet Affairs Department

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9/ By way of example, specific resolutions adopted by the Presidium may be quoted. In October 1966 the Presidium of the Supreme Soviet of the Estonian Soviet Socialist Republic adopted a resolution on press publicity locally and throughout the Republic for the work of the Soviets and their organs and deputies. This resolution recommended ways of improving publicity on the activities of the Soviets. In 1963 the Presidium of the Supreme Soviet of the Russian Soviet Federative Socialist Republic discussed the guidance given by the local Soviets of the Perm region to local public organizations, which wished to assist the Soviets in carrying out their work.

of the Presidium of the Supreme Soviet of the USSR also takes an active part in this work. Its informational bulletins are particularly useful in pooling experience of the work of local Soviets between the different Republics.

The Department for Executive Committee Affairs, which forms part of the secretariat of the Council of Ministers in the Republic, 10/ also undertakes methodological and instructional work for the benefit of the executive committees, departments and administrative services of the local Soviets. These departments draft proposals for improving the structure, forms and methods of work of the local executive organs. For instance, the regulation, adopted in 1964 on the Local Soviet Affairs Department of the administrative services of the Council of Ministers of the Latvian Soviet Socialist Republic makes it obligatory for the Department to provide practical assistance in organizing the work of the executive committees; to arrange for exchanges of experience between them, and to take measures to train the staff of the executive committees and enable them to obtain higher qualifications.

In accordance with the principle of the unity of the system of Soviets, the organizational, instructional and methodological activities are not the exclusive prerogative of the central organs. At the level of each region, district or city divided into municipal districts, such activities are carried out by the higher-level local Soviets for the benefit of the lower-level organs of authority. Assistance in the correct organization of the work of the lower-level Soviets is one of the main functions of the organizational and instructional departments of the executive committees of regional and large city Soviets, and of the instruction groups and individual instructors attached to the executive committees of district and other city Soviets.

Supervision of the activities of local Soviets is one of the responsibilities of the higher organs of authority, the Supreme Soviet and its Presidium. These organs ensure that the local Soviets act in accordance with the law and comply with the obligations imposed on them by the laws and other enactments of the Presidium. Discussions are held, at sessions of the Supreme Soviet and meetings of the Presidium, on the reports of the local Soviets and on their communications regarding the fulfilment of plans, the management of the economy, the provision of public services, measures taken to encourage the population to take part in the administration, and the observance of democratic principles of organization in the work of the deputies and the executive apparatus. The Presidium carries out an annual review of statistical reports submitted by the local Soviets on the organization of their work and their relations with the public, and on complaints and applications received by them from the public.

In the resolutions of the Supreme Soviet and its Presidium, attention is drawn to shortcomings in the work of the local Soviets, and measures are suggested for remedying them. The supervision of the activities of the local Soviets is conducted with the participation of the standing committees and members of the Supreme Soviet, and the staff of the Local Soviet Affairs Department. The work of the executive committees is scrutinized in the first instance by the Councils of Ministers of the Republics through their Departments

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10/ These departments have different names in different Republics. They are normally part of the administrative services of the Council of Ministers of the Republic. There is no such department in the secretariat of the Council of Ministers of the USSR.

for Executive Committee Affairs. Direct supervision of the activities of local Soviets at lower levels is exercised by the district and city Soviets, in whose territories the lower-level organs of power are located. The district and city Soviets of cities administered by the region, are in turn supervised by the regional Soviets. However, the Supreme Soviet and the Presidium of the Supreme Soviet have the right to review the activities of any local Soviets, including village and settlement organs of authority.

The supervision of the work of the local Soviets by the central authorities ensures uniformity in the development of the local Soviets and of the economic and service sectors administered by them; it guarantees the observance of legality and democratic principles of administration, and proper co-ordination of the work of these Soviets and other State bodies. However, the relations between the central organs and local representative institutions and their executive apparatus are not confined to the area of guidance and supervision above described.

First, the element of centralism, which is expressed in the various aspects of the control, exercised by the central organs over the local Soviets, is combined with an element of decentralization, with arrangements which give the local Soviets independence and wide powers in exercising their authority on the spot and in managing the branches of State activity entrusted to them. The local Soviets and their apparatus have a free hand in managing the State property assigned to them. They take a leading part in housing construction, the development of consumer services, the organization of trade and the administration of education, health and social welfare services. The local Soviets are in charge of agricultural production in their territories and administer many local industrial enterprises. They also have financial resources of their own. Organs at higher levels are not entitled to take decisions on matters, which under existing law, come within the purview of local Soviets. They may not annul any enactments by local Soviets, which conform to statutory requirements, and they have no authority to appoint or dismiss officials in the executive apparatus of the local Soviets. The latter have a free hand in establishing their executive and standing committees, and in creating the departments and boards provided under the relevant legislation. Within certain limits, they themselves can determine the legal status and structure of their executive organs, and establish the detailed order of business for their executive and standing committees.

In the regional Soviets of the Russian Soviet Federative Socialist Republic, for example, the executive committees themselves approve regulations concerning their departments and boards, and also regulations relating to the departments dealing with executive committees of lower-level Soviets. The local Soviets of many regions and cities have enacted regulations governing the organization and activities of their standing committees and of groups of their members, working among the public in urban sub-areas, villages and settlements. They have also issued instructions regarding office procedures.

Secondly, the local Soviets, as organs of State authority in the territory which they cover, and as representatives of the people in their respective administrative units, collaborate with the central organs in the implementation of projects, both nation-wide and within the Republics, and participate in the drafting of enactments by the central organs, particularly



enactments dealing with the development of branches of the administration, which come under their direct control; and also with the terms of reference and organization of work of local Soviets and their executive apparatus.

Under the legislation relating to local Soviets, the local organs of authority are entitled to express their views and submit proposals on all matters, which are decided by the higher-level organs. The legislation, passed by the Republics in regard to village and settlement Soviets provide, for example, that these Soviets shall take part in the consideration of district, regional, republic and all-Union affairs. At sessions of the local Soviets and meetings of their executive committees, the members consider the present situation and future prospects for the development of the national economy and social and cultural services, including the work of enterprises and institutions, which are not subordinate to the local Soviets; and they submit recommendations to higher-level organs. The local Soviets frequently consider draft legislation of the Supreme Soviet and decrees of the Presidium, which are circulated for public discussion or sent to them specially by the central organs. For example, they discussed in detail the draft legislation on village and settlement Soviets and the budgetary rights of local Soviets, and also the legislation adopted in a number of Republics on the conservation of nature. The local Soviets may exercise their own initiative in approaching higher authorities on matters of administrative or territorial organization and the development of the system of local organs of power. For example, under the relevant legislation, the village and settlement Soviets may adopt proposals for the creation, abolition or unification of village or settlement organs of authority and the alteration of their territorial boundaries.

In practice, there are different organizational forms and methods by which the local Soviets participate in the work of higher authorities. In the discussion of questions at sessions of the Supreme Soviet of the USSR and of the Supreme Soviets of the Union Republics, the local Soviets are represented first of all by those of their members who are elected by the people as members of these Soviets. In the preparation of bills, decrees and resolutions by the standing committees of the Supreme Soviet or its Presidium, representatives of the local Soviets, normally the chairmen of the executive committees, are included among the members of the preparatory committees and working groups which prepare the relevant documents, and are also invited to participate in discussions of the drafts in the standing committees. Moreover, the procedure for drafting legislation includes an arrangement whereby the central organs request the local Soviets to submit proposals and forward draft legislation to them for comment.

One important and highly promising feature of the collaboration between the local Soviets and the central organs is their co-ordinating and supervisory activity in the management of State enterprises and organizations administered by the Union or individual Republics, and in the comprehensive development of the economy and social and cultural construction in the areas, under the authority of local Soviets.

Within each region, district or urban area, there are several enterprises and organizations administered by the Union or the Republic, as well as those



administered by the local Soviets. In the Moscow region, for example, there are over one thousand industrial enterprises, administered by eighty-six ministries and departments, and many of these enterprises produce commodities for public consumption. Enterprises and organizations, not administered by the local Soviets, provide dwellings for their workers, built on land allocated to them by the local Soviets. They also have a considerable number of communal, social and cultural facilities. Decentralization of the management of production, and of many types of communal, social and cultural services, in areas administered by the local Soviets, has created a situation in which co-ordination is essential to ensure the uniform over-all development of the areas concerned, to safeguard their social and economic integrity, to serve the interests of the population more satisfactorily, and to ensure a more rational use of natural resources, energy, transport and labour. The local Soviets, in their position as organs of State authority, are natural centres for the co-ordination of these activities.

Various new methods are being devised and developed, under current legislation and practice, to regulate the influence exercised by the local organs of authority, and their executive apparatus, on the location, construction and expansion of production and service facilities, not directly administered by them. All local Soviets have a legal responsibility for the conservation of nature. The Soviets exercise control over the proper utilization of land and water resources, the condition of forest areas and green belts, the purity of the air and health conditions in inhabited localities. The local Soviets ensure the departmental building projects are in keeping with the approved plans for inhabited areas, and with the established architectural standards. Under directives, issued by the Councils of Ministers of the Union Republics, local Soviets are authorized by agreement with the enterprises and organizations, which they do not administer, to pool financial resources, earmarked for construction of housing and communal and cultural facilities.

This pooling of resources leads to greater rationalization in housing construction and an improvement in building standards and services. In a number of urban areas in the Russian Soviet Federative Socialist Republic and certain other Republics, the local Soviets are the sole organs entitled to conclude agreements with the specialized building organizations of the various ministries, for the construction of housing, communal, social and cultural facilities for enterprises and institutions, located in the territory of a local Soviet, but not administered by it. The local Soviets compile information on labour requirements, and collaborate with enterprises and organizations, administered by the Union and/or the Republic, in order to meet adequately their requirements for skilled and unskilled labour.

In Republics which are divided into regions, the regional and territorial executive committees examine in advance the draft work plans of enterprises, administered by the Union or the Republic, but located in the region or territory concerned; they also consider the plan for the development and location of industrial enterprises, administered by the Union or Republic, and discuss the specifications prepared by ministries and other central organs of administration,

in the USSR or the Republic, for the construction of new enterprises or the reconstruction or expansion of existing ones; and they pass on their comments on the various projects, and their proposals, both to the State Planning Committees and to the ministries and departments concerned. Submission of these projects to the local Soviets is compulsory for all ministries and departments.

Thus the guidance given by the highest organs of State power to the local Soviets and local government units, and to the executive bodies of these Soviets, is combined with arrangements to ensure the independence of local Soviet organs in matters coming within their competence, and is designed to provide them with economic, financial, organizational and methodological assistance and to ensure genuine participation by the local Soviets in the conduct of State affairs. These aspects of relations between the central organs and the local Soviets are regarded in Soviet political theory as a most important manifestation of the principle of democratic centralism, which is the basic criterion governing the organization of the State apparatus in the Soviet Union.

#### IV. INTERACTION BETWEEN CENTRAL ORGANS AND LOCAL SOVIETS IN PLANNING

Planned management and planned development of the economy are the general principles underlying economic policy in the USSR; they are affirmed in the Constitution and apply equally to the activities of central and local organs of government. The main characteristics of the national economic planning system, and the role of the local Soviets in it, are as follows:

In the first place, planning takes place at all levels of State activity. For the country as a whole, the development of the national economy is determined by the State Economic Plan of the USSR; for the Union and Autonomous Republics it is determined by the plans of the Republics, and for each administrative unit by the local plans for economic, social and cultural development. The representative organs of power, the Supreme Soviet and the local Soviets, are the only bodies entitled to adopt consolidated economic plans, covering all branches of the economy of the Union, republic, region, district, town, village or settlement. The local Soviets are also the only bodies entitled to adopt plans for measures in pursuance of instructions given by the electorate to members at election time, or at meetings where the members report on their activities. Other plans are adopted by governments, executive committees or other central or local organs of administration. Each plan is legally binding on all organizations to which it is addressed.

Secondly, the adoption and implementation of plans is part of the duties of each local Soviet. The plans of the local Soviets combine elements of physical, economic and social planning. They cover capital construction; the activities and development of industrial and agricultural enterprises, administered by local organs, and of the trade organizations, consumer services and social and cultural institutions of the local Soviets; and also the development of housing and the construction of new localities for habitation.

The local plans include:

(a) The consolidated plans, which cover all the main aspects of the development of the economy administered by the local Soviet;

(b) The sectoral plans for local industry, housing, education and so on;

(c) Special plans of an inter-sectoral nature, for example, plans for measures to be taken in pursuance of instructions from the electorate; plans for the construction of inhabited localities; or plans for individual branches of the local economy and services such as the construction of children's institutions, or the provision of green belts;

(d) The balance establishing the relationship between the resources available to the Soviet and the needs of the economy and the population, such as for example, the balance in fuel resources, labour resources, and so on; and

(e) Co-ordination plans, to co-ordinate the economic, social and cultural activities of the local Soviet with those of the undertakings and organizations operating within its territory, but not administered by it.



In determining the duration of each plan, a distinction is made between the current plan, adopted by the local Soviets for each year, with a quarterly target breakdown, and the longer-term plans, the most important of which are the five-year plans and the plans for building new localities for habitation, which are prepared for periods of ten years or longer. The consolidated plans of the local Soviets incorporate the indicators of the sectoral plans and most of the special plans. The current annual plans, in turn, form part of the five-year plan. Most of the planning is done by the regional, territorial and large city Soviets, which use all forms of local planning; little planning is done by village and settlement Soviets. For agricultural co-operatives, or collective farms, whose activities are based on the principles of self-administration, the local regional or district Soviets establish in their plans, long-term targets for the sale of specified types of agricultural produce to the State. The output and finance plans of State concerns which are administered by the local Soviets are approved by the local Soviets themselves.

Thirdly, the plans of the local Soviets are an integral part of the single system of planned economic management in the USSR. These plans contain breakdowns of the global targets for economic, social and cultural construction established in the State Economic Plan of the Soviet Union, and the plans of the national Republics. Thus each local Soviet plays a part in the implementation of plans adopted by higher organs of authority. At the same time, the plans approved by the higher-level Soviets and the governmental organs in the Republics, take into account the possibilities and requirements of the enterprises and organizations, administered by the local Soviets, and also the needs of the population in each administrative unit.

The plans of the higher and lower-level Soviets are co-ordinated during the process of preparation. Each local Soviet receives from the higher-level Soviets control targets for the most important indicators of the development of the economy and of consumer services. In local industry, for example, it is given targets for the main types of production, indicating the volume of output and the profit margin to be achieved. The control targets are set for the higher-level local Soviets by the Councils of Ministers of the Republics, with the collaboration of their State Planning Committees and ministries and departments, and for the other local organs of authority by the executive committees of the higher-level Soviets, with the collaboration of the planning committees, departments and boards of the executive committees. Conversely, the lower-level local Soviets send to the higher-level organs drafts of their own plans and proposals, relating to the plans of the higher-level Soviets. This co-ordination of the draft plans ensures unity of planning within each Republic. After the consolidated national economic plan has been approved by the Supreme Soviet of the republic, the regional, district and other local Soviets approve their own consolidated plans. In this planning hierarchy, the main indicators in the plans of the higher-level Soviets take account of the territorial and sectoral plans of the lower-level organs.

Although the central organs control and co-ordinate local planning, they also allow for some independent action by the local Soviets in planning the development of sectors administered by them. In the first place, the control targets received by the local Soviets do not cover the full content of the local plans, since they relate only to the main planning indicators. Secondly, they establish only



minimum requirements for the local Soviets, which the latter may decide to exceed, in the light of local needs and resources. In fulfilling their plans, the local Soviets may introduce changes if economic circumstances so require. For example, the regional and large city Soviets may, in the case of enterprises which they administer reduce the production of goods, which are not in public demand, replace them with other types of production and adjust plans for local industry accordingly. Finally, there are some sectors of local economic life which are planned by the local Soviets on a fully decentralized basis. For example, the preparation and approval of plans for the operation of consumer service enterprises, administered by the local Soviets, is not subject to agreement by the central organs. The targets for this activity are not included in the economic plan of the Republic.

Permanent and effective exercise of the planning function by all the representative organs of the State, and by the administrative apparatus, is made possible from the organizational standpoint, by the existence at all levels of the State system of specialized planning machinery. In the USSR and the National Republics the organs concerned are the State Planning Committees, which are under the authority of the Governments; at the local level the same function is performed by the planning committees of the executive committees of the local Soviets. Regional, territorial, district and city Soviets all have planning committees. The chairman of the committee is appointed by the local Soviet concerned, and its members by the executive committee of the Soviet.

The planning committees include senior officials of the executive organs of the local Soviet, qualified economists and representatives of public organizations and enterprises. Each committee has an established professional staff, whose size depends on the type of Soviet and the scale of its activities. The functions, authorities and working procedures of the committees are laid down in regulations adopted by the Councils of Ministers of the Union Republics or by regional or large city Soviets, on the basis of a model approved by the Council of Ministers. All these committees are subordinate both to their own Soviet and executive committee, and also to the next higher planning committee or State Planning Committee of the Republic.

The local planning committees prepare draft consolidated long-term and current plans for the local Soviets and plans for individual aspects of economic development. They comment on the draft sectoral and special plans prepared by the departments and boards of the executive committees, and also on the draft budget of the Soviet and the plans for the supply of materials and equipment. They establish control targets to guide the activities of lower-level Soviets, and they supervise plan implementation. They also provide methodological guidance for the planning work of departments and boards, and also for the work of the planning committees of the lower-level Soviets.

General methodological guidance for the work of the local planning committees is provided by the State Planning Committee of the Republic, especially in regard to the procedure for compiling plans. The regional planning committees and city planning committees in cities administered by the Republic prepare for the State Planning Committees, Ministries and other authorities of the Republic conclusions and proposals concerning the development and location of industry subject to the authority of the Republic in the territory of the local Soviets

concerned. The regional planning committees also make observations on draft general plans for urban development, and on designs for the planning and lay-out of districts in the region.

Participation by local Soviets in the planning activities of the central organs is not confined to the submission of conclusions and proposals on the plans relating to the work of enterprises, organizations and institutions administered by the Union or Republic but located on the territory of the local Soviet. One of the main forms of co-operation between local Soviets and the central organs nowadays is the territorial co-ordination, which ensures that the activities of local Soviets are in line with those of enterprises and organizations, which they do not administer.

The planning committees of the regional or territorial Soviets are obliged to prepare consolidated co-ordination plans, for the production of consumer goods and household articles, both by enterprises under the administration of the local Soviets and by enterprises administered by the Ministries and other central organs of the USSR or the Republic concerned. They also prepare consolidated co-ordination plans for housing construction and the development of communal, social and cultural services in the region or territory. The purpose of these plans is to ensure the integrated development of each administrative unit, even though the enterprises and organizations located in it are administered by different authorities. As the senior representative organs within the limits of the region or territory, the regional or territorial Soviets act as the planning co-ordination centres.

The indicators in the co-ordination plans are brought into line with those of enterprises and organizations administered by the authority of the Union or Republic as a result, usually, of discussions between them and the local Soviets on the latter's initiative. The local Soviet is also responsible for supervising the implementation of co-ordination plans. In future, the function of co-ordinating planning is likely to be exercised not only by regional, but also by other local Soviets, particularly district and city Soviets.

## V. FINANCIAL ORGANIZATION OF THE LOCAL SOVIETS

The activities of local Soviets are financed from their own budgets, and from the resources at the disposal of enterprises and economic organizations under their control, which make a profit and meet their expenditure from their own income. The budget of a local Soviet, as approved by it each year, is the main instrument used by each local organ of authority in exercising financial control over the various branches of administration subordinate to it. Each local Soviet, from rural to regional, is obliged to prepare a budget. The budget adopted by a local Soviet does not require approval by any higher organ.

The budgets of the local Soviets constitute an important and ever-increasing part of the State budget of the Soviet Union. Between 1940 and 1967, the volume of expenditure under local budgets increased by 850 per cent. More than 20 per cent of the budgetary resources of the USSR are channelled through these budgets. More than 80 per cent of all State budget expenditure on health, approximately 50 per cent of expenditure on education, over 50 per cent of expenditure on the development of physical culture and sport, and the bulk of all expenditure on municipal services and the planning and provision of public services and amenities, is met from local budgets. City and district budgets account for the largest proportion of local budget expenditure (45.8 per cent and 28.1 per cent respectively).

The budgets of the local Soviets form part of the single budgetary and financial system of each Union Republic and of the USSR as a whole. The budgetary rights of local Soviets are set forth in special laws adopted in each Republic in 1960-61. The budget of a Union Republic shows the total revenue and expenditure of its local organs of State authority. The budgets of the higher-level local Soviets show the total revenue and expenditure of the lower-level local Soviets operating in their respective territories.

However, each local Soviet is free to decide how to spend its budgetary resources and to derive revenue from the financial sources under its control. All local Soviets may increase the total revenue and expenditure, above the minimum fixed by the higher-level Soviet, from their own sources of income. If, after the budget of a local Soviet has been approved, its revenue is reduced, or its expenditure increased, by a decision of a higher organ of authority, the local Soviet is entitled to request that its additional financial needs should be met in full from the budget of the higher organ. Extra-budgetary revenue, which the local Soviets obtain by making economies or finding new sources of revenue, remains at their disposal and may not be confiscated by a higher organ.

Under the legislation of the USSR and the Union Republics, which has been enacted to provide the local Soviets with a stable financial basis, certain sources of income have been allocated to them, and the revenue from these sources goes directly to the local budget. The sources of revenue allocated to local Soviets are: local taxes and other charges; and revenue from property managed by them, raised by deductions from the profits of industrial, agricultural, municipal and other local enterprises and from the operation of the housing stock and other revenues from the local economy; 11/

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11/ Lists of local personal taxes and other charges are given in the legislation of the republics. They account for only a small proportion of local budget revenue.



and certain State taxes and other charges which are directly earmarked for the local budgets, for example, entertainment tax and the tax paid by co-operative enterprises and economic services of voluntary organizations.

The distribution of these sources of revenue between the various local budgets is determined by the law of the Republic. Revenue from the local economy, which is the main source of revenue for the local Soviets, is usually earmarked directly for the budget of the local Soviet, which administers the revenue-producing enterprise, service or organization. The Government of the USSR and the organs of the Republics take steps to increase the revenue, derived by the local Soviets from the sources allocated to them. For example, a resolution of the Council of Ministers of the USSR dated 14 March 1968

"On measures to strengthen the material and financial basis of village and settlement Soviets of Working People's Deputies" called upon the Governments of the Union and Autonomous Republics, and executive committees in these Republics, to take steps to expand the sources of revenue for rural and settlement Soviets. It should be noted that, since the general objective of State fiscal policy is to reduce personal taxes, the main method used in strengthening the financial basis of the local Soviets is to expand the local economy.

The sums expended by the local Soviets in the performance of their various functions, in connexion with the administration of social and cultural services and municipal utilities, the development of a system of free medical care and education and the administration of housing, the care of children and the social welfare system, are now considerably higher than the amounts available from local revenue sources. Since the activities of the local Soviets in these areas are of nation-wide importance, the central organs are constantly providing them with substantial financial assistance to balance the revenue and expenditure sections of local budgets; and to improve the financial position of local organs, most in need of support. The financial assistance given by central organs to local Soviets is reflected in the very structure of the revenue section in the local budgets, which, in addition to revenue directly allocated to local Soviets, also includes revenue allocated to the local budget from State revenue. On the average, revenue of this kind accounts for approximately 60 per cent of local budget revenue. It varies from 40 to 50 to 60 to 70 per cent, depending on the type of Soviet and its financial needs.

The following are the main features of the financial assistance provided by central organs to local Soviets. The total amounts to be transferred to the local Soviets are determined by the Supreme Soviet of the Union or Autonomous Republic. When approving the budget of the Republic, each Supreme Soviet determines annually:

- (a) The revenue and expenditure of the organs of the Republic, the budget of the Republic;
- (b) The total revenue and expenditure of local Soviets; and
- (c) The amount of payments from the revenue of the Republic to local budgets.

These amounts are fixed in terms of percentage allocations from the State revenue assigned to the Republics from the budget of the USSR. The local Soviet



receives a proportion of the total State taxes collected in its territory. The Supreme Soviet of the Republic decides that a fixed percentage of the budget of the Republic is to be transferred directly to the budgets of the higher-level local Soviets, that is, to the budgets of the regional Soviets, if the Republic is divided into regions, or the district Soviets if it is not so divided; or, in all Republics, to the budgets of cities administered by the Republic.

These local Soviets, in turn, decide what percentage of the State revenue allocated to them is to be made available to the lower-level Soviets, in whose territory the revenue is accumulated. Thus all local Soviets receive financial assistance from the Republic, and this assistance is distributed by each higher-level Soviet to all the lower-level organs of authority in its territory. Since each local Soviet receives a specific percentage of the State revenue, collected in its territory, it is interested in ensuring that all enterprises, organizations and citizens fulfil their financial obligations to the State. Moreover, the assistance provided by the Soviet in the work of enterprises and organizations under Union and republican administration, and supervision of their activities, is directly in the financial interests of the local organ of power.

The percentage allocations from State revenue to local budgets, which have been made on an extensive basis in the USSR since 1931, are now the main instruments used by the central organs to assist local Soviets and to balance local budgets. They ensure a balance between the expenditure and revenue sections of the budgets of local Soviets; they improve the financial position of local organs, which are in a less fortunate situation, and make it possible to take into account the needs of all local organs of power. The Ministries of Finance of each Republic and the financial departments of the executive committees of the regional, district and city Soviets (in cities which are divided into municipal districts), prepare annual financial adjustment plans; and the basic indicators of these plans are included in the budgets concerned. They provide for the distribution among local budgets, of allocations from State revenue such as the tax on State enterprises and economic organizations, the income tax paid by collective farms, and other types of co-operative and public organizations, personal income tax and certain other payments.

The main source of funds for adjusting local budgets is the tax on State enterprises and economic organizations. The allocations from all these sources of revenue cannot of course exceed the proportion of the revenue which the Republic is entitled to dispose of on its own authority; but up to one hundred per cent of the Republic's share of the revenue, which is accumulated on the territory of a local Soviet may be assigned to that Soviet. The collection of payments for the State budget is organized by the financial departments of the local Soviets. It should be noted that, when considering requests from local organs of authority for financial assistance, the central organs of the Republic and the higher-level local Soviets do not impose any particular requirements for granting this assistance. The expenditure of funds received from the central organs, or of those obtained from local sources of revenue, is left to the discretion of the local Soviets themselves.

Apart from the percentage allocations, there are other forms in which the central organs provide financial assistance to local Soviets. If the total local and State revenue, accumulated in the territory of a local Soviet, is insufficient to balance the local budget, the local Soviet concerned receives

a lump-sum financial subsidy from the higher-level Soviet. Subsidies are mainly used to assist village, settlement and district Soviets. In 1968, subsidies from district budgets accounted for approximately 16 per cent of the revenue of village budgets. Enterprises administered by the local Soviets are granted short-term credit by the State Bank of the USSR for a period of one year, and longer-term credit to meet their capital equipment costs. Applications for credit are submitted by the departments and boards of the executive committees of local Soviets. Long-term credit for construction is granted to local Soviets by another State bank, the Construction Bank of the USSR. The Ministries of Finance in the Republics co-ordinate the work of the financial departments of the executive committees of local Soviets. The financial departments in turn, in addition to preparing local budgets and supervising budget performance, exercise State supervision over the observance of financial discipline and the fulfilment of obligations to the State by all undertakings, organizations and institutions operating in the territory of local Soviets concerned.

## VI. THE TRAINING OF ADMINISTRATIVE PERSONNEL FOR THE LOCAL SOVIETS

A considerable proportion of the manual and non-manual workers in the Soviet Union are employed in the local Soviets and in their organs, enterprises and institutions. The State helps to meet the requirements of local Soviets for specialists in various branches by planning and organizing their training in a system of higher and specialized secondary educational establishments, which provide instruction in teacher training, medicine, economics, and engineering and technology. The State Planning Committees of the Republics, the Ministries of Higher and Specialized Secondary Education, and other ministries responsible for educational establishments, prepare plans for the placement of young specialists, taking into account the requirements and demands of the local Soviets. The central organs of administration also help the local organs of State authority to organize the training of a skilled labour force in a system of educational establishment, which are under the direction of the local Soviets and other State organs.

The central organs do a great deal to help local Soviets in training personnel for the local administrative apparatus, the executive committees and their departments and boards, 12/ and in enabling existing personnel to obtain higher qualifications.

Employees in the administrative apparatus of the local Soviets have the same legal status as other State employees. They enjoy all the social and economic rights, democratic freedom and personal rights enjoyed by citizens of the USSR, in accordance with the Constitution and national law. Soviet legislation does not in any way limit the electoral rights of employees in the administrative apparatus, or their right to join trade unions or other public organizations. Apart from a narrow circle of senior officials, employees may not be dismissed by the organ concerned, except with the agreement of the trade union body; and an employee who has been dismissed has the right to ask for his case to be reconsidered in the courts. The general wage scale for employees is established by the Council of Ministers of the USSR, with the participation of the State Committee of the Council of Ministers of the USSR for Labour and Wage Questions; the structure and the staffing establishment of the local organs of administration are determined by the Councils of Ministers of the Republics and by the executive committees of regional Soviets and the Soviets of cities under the administration of Republics.

Appointments to posts in the organs of administration of local Soviets are made on the basis of democratic principles. There are no restrictions on

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12/ Approximately 73.4 per cent of all employees in the State administration are employed in the administrative apparatus of the local Soviets. Of these local employees, 24 per cent are heads or deputy heads of various organs, or heads of divisions within those organs; 18 per cent are specialists, 35 per cent are engaged in book-keeping or secretarial work, and 23 per cent are inspectors, instructors, consultants, and so on.



employment in the administrative apparatus, on account of sex, race, nationality, party membership, or religious conviction. All members of the executive committees and all heads of departments and boards, as well as the heads of certain standing committees of the executive committees, are elected at meetings of the local Soviets; and decisions by the Soviet do not require confirmation by higher organs. Nominations for the posts of heads of departments and boards, which are subject to dual subordination, are agreed in advance with the higher administrative organ in the appropriate field. Other employees of departments and boards are appointed by the executive committees, or by the heads of departments and boards.

The expansion of higher education, the increased training of specialists and higher salaries, are making it possible for the local organs of authority to recruit for the administrative apparatus an increasing number of workers, who meet present-day requirements. In 1969, 64.5 per cent of the chairmen and 64 per cent of the secretaries of the executive committees of local Soviets had received secondary or higher education; 96.9 per cent of the chairmen of executive committees of regional, territorial and area Soviets had received higher education. Specialists for the legal services of the local Soviets, and for the organizational and instructional apparatus, the planning committees, the local organs of social security and other branches of the local administrative apparatus, are trained in higher educational establishments, providing instruction in law and economics, and in special departments or faculties of institutes of law, offering day, evening and correspondence courses.

A regular effort is being made in the Soviet Union to improve the qualifications of employees in the administrative apparatus of local Soviets. Employees taking courses in higher educational establishments enjoy a number of privileges. The Presidium of the Supreme Soviet, the Councils of Ministers of the Republics and the local Soviets have organized a large number of short courses and seminars for officials of the local Soviets. For example, in Republics and regions, regular three to four-week courses are attended by the chairmen, deputy chairmen and secretaries of executive committees and other leading officials of city and district Soviets, and the chairmen of village and settlement Soviets.

The further training of employees of the local Soviet apparatus, is also undertaken by a system of higher party schools, and at various courses organized in higher educational establishments. Training is provided not only for employees but also for members of the local Soviets and the chairmen of standing committees, who receive regular instruction in the form of lectures, seminars, and visits to study the activities of the most successful Soviets. A monthly periodical entitled Soviets of Working People's Deputies, with a circulation of approximately 500,000, provides members and officials of the Soviets with regular information on questions of legislation and the theory and practice of State and economic construction.

Mass public organizations, such as trade unions and the Young Communist League (Komsomol), also play an important role in improving the work of the administrative apparatus of the local Soviets. For example, the All-Union Central Council of Trade Unions participates in the settlement of questions concerning salaries and working conditions. Organizations of the trade union of State employees, and Komsomol organizations with members in the apparatus of the local Soviets, consider ways of rationalizing administrative work,



increasing its efficiency and dealing satisfactorily with complaints and applications by citizens; they also discuss questions of labour organization.

One important factor, which has a favourable effect on the work of the administrative apparatus of local Soviets, is the development of public supervision of its activities, and the enlistment of the services of active citizens and public-spirited persons who carry out administrative functions without salary. The Presidium of the Supreme Soviet and the Councils of Ministers require the executive organs and leading officials in the apparatus of the local Soviets to report regularly to the people; they provide information and make recommendations to the local Soviets on the most successful ways of inducing citizens to participate in the activities of the permanent administrative apparatus. In the departments and boards of many local Soviets, factory workers, collective farm workers, retired persons and office workers, work alongside the members of the permanent staff, on a voluntary basis and without payment, as instructors, inspectors, controllers, and members of advisory councils. The local Soviets often use these citizens to staff organizational, instructional, cultural and other departments, which are not part of the regular establishment.

The Communist Party of the Soviet Union takes a great interest in the staff of local Soviets. By their recommendations and criticism, Party organizations which are active in the apparatus and Party groups in the Soviets, consisting of Communist deputies, seek to improve the recruitment and deployment of staff, and to strengthen the links between the staff and the people. Typical examples of the Party's attitude to the staff problems of local Soviets are the resolutions adopted in 1967 by the Central Committee of the Communist Party of the Soviet Union "On measures to improve the training and further training of officials of the Soviets of Working People's Deputies" and "On the organization of regular courses for the further training of party workers and officials of the Soviets in Republics, territories and regions". These documents outline a broad programme of measures for improving the qualifications of workers employed in the Soviet apparatus.

## VII. CONCLUSION

The relationship between the centre and the localities, which has been developed in the USSR on the basis of the Leninist principles of the sovereignty of the people, democratic centralism, national equality, and the supremacy of representative institutions in the State machinery, has stood the test of time and has shown itself to be the most suitable system for solving the social, political and economic problems of the Soviet people. It has promoted the broad participation of the masses in local State activities, and has ensured that local organs play an active role in the management of the local economy and social and cultural services, and in the implementation of general State policy. The Communist Party and the central organs of the State are guiding the further development of this system in the direction of greater democratization and efficiency.

Under the guidance of the Communist Party of the Soviet Union, a comprehensive programme of measures to strengthen the local Soviets is being worked out and implemented in the USSR. It includes plans for the following:

- (a) The development of the material and financial bases of local organs of authority: by stimulating their economic activity, by gradually transferring to them all State housing, public-utility and consumer services, and social and cultural institutions, which are still administered by other organs, and by expanding the sources of revenue of local budgets;
- (b) A further redistribution of the operational functions of management from the higher to the lower-level Soviets, and the strengthening of their administrative autonomy, with the central organs retaining their responsibility for the basic planning and control functions and the general co-ordination of the work of the local Soviets;
- (c) An extension of the rights of local Soviets in matters of territorial co-ordination, co-ordination planning and supervision of the activities of enterprises and organizations administered by the Union or Republic, but located in their territory;
- (d) A strengthening of the guidance and control, exercised by each local Soviet, over the activities of its executive organs; a further extension of the work of members and committees of the local Soviets; and the expansion of their associations with the people;
- (e) The application, in the organizational work of local Soviets and their administrative apparatus, of the latest advances in administrative science, organizational techniques and scientific principles for the organization of labour; measures to improve the qualifications and skill, and to increase the responsibilities, of officials, particularly senior officials; the enlistment of the services of research undertakings and specialists in solving problems relating to the development of local Soviets; improved assistance to the local Soviets by the Presidium of the Supreme Soviet and the Councils of Ministers in questions of organization and methods; and

- (f) The adoption by the USSR and the Union Republics of further legislation concerning the rights, and the organization of work, of all types of local Soviets to meet contemporary requirements and to strengthen the role of local representative institutions in the administration of State affairs, in the expansion of the economy, and in increasing the welfare and culture of the workers.

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